
2024 Annual
Reports & Accounts

UH REAL ESTATE INVESTMENT TRUST
(formerly)
UNION HOMES REAL ESTATE INVESTMENT TRUST

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

UH REAL ESTATE INVESTMENT TRUST
(formerly)
UNION HOMES REAL ESTATE INVESTMENT TRUST

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

CONTENTS	PAGE
Fund Manager, Professional Advisers etc	1
Statement of Fund Manager's responsibilities	2
Statement of Trustees' responsibilities	3
Report of Fund Manager	4
Report of the Trustee	11
Certification of the Accounts by Directors of the Fund Manager	13
Report of the Independent Auditor	14
Statement of Comprehensive Income	17
Statement of Financial Position	18
Statement of Changes in Equity	19
Portfolio Statement	20
Statement of Cashflows	20
Notes to the Financial Statements	21
<i>Other national disclosures</i>	
Statement of value Added	40
Five-Year Financial Summary	41

UH REAL ESTATE INVESTMENT TRUST
(formerly)
UNION HOMES REAL ESTATE INVESTMENT TRUST
FUND MANAGER, PROFESSIONAL ADVISERS ETC

Directors of the Fund Manager:

Dr. Layi Fatona	-	(Chairman)
Mr. Patrick Ilodiana	-	(Managing Director/CEO)
Dr. Yemi Kale	-	(Non-Executive Director)
Mr. Yemi Gbenro	-	(Non-Executive Director)
Mr. Dimeji Sonowo	-	(Executive Director)

Fund Manager:

SFS Capital Nigeria Limited,
Plot 287, Ajoye Adeogun,
Victoria Island,
Lagos.

Trustee to the Fund:

United Capital Trustees Limited,
3rd & 4th Floor, Afriland Towers,
97/105, Broad Street,
Lagos.

Custodian:

UBA Global Investor Services,
UBA House (11th Floor),
57, Marina, Lagos.

Registrar:

Greenwich Registrars & Data Solution,
274, Murtala Muhammed Way,
Alogomeji, Yaba,
Lagos.

Independent Auditors:

Baker Tilly Nigeria,
(Chartered Accountants),
Kresta Laurel Complex (4th Floor),
376, Ikorodu Road,
Maryland,
Lagos.

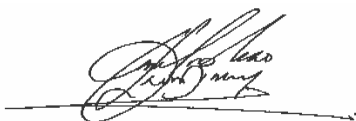
Bankers:

United Bank for Africa Plc
Polaris Bank Nigeria Limited

**UH REAL ESTATE INVESTMENT TRUST
(formerly)
UNION HOMES REAL ESTATE INVESTMENT TRUST
STATEMENT OF FUND MANAGER'S RESPONSIBILITIES**

The responsibilities of the Manager to the Fund are as follows: -

1. To carry on and conduct the business of the Fund in a proper and efficient manner and in particular, to diligently carry out the purpose for which Units are issued.
2. To act with prudence in relation to all moneys and accounts kept for the purpose of the Fund.
3. To keep proper books of accounts and prepare financial statements for the Fund and therein make true and proper entries of all affairs.
4. To issue jointly with the Trustee, certificates evidencing the purchase of Units of the Fund.
5. To invest the portfolio pool in a manner consistent with the investment objective of the Fund and investment guidelines.
6. To pay out of the Fund all expenses incurred or to be met in connection with the management of the Fund.
7. To appoint, with the consent of the Trustee, the Auditor to the Fund.
8. To make periodic returns to the Securities and Exchange Commission as may be specified from time to time.
9. To periodically avail unit-holders with information relating to the performance of the Fund.
10. To convene Annual General Meeting of the Fund's unit-holders.



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Iiodianya Patrick
FRC/2013/ICAN/00000002177
Director
25 March 2025

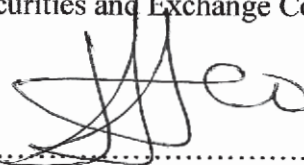


.....
Gbenro Yemi
FRC/2014/CIB/00000002190
Director
25 March 2025

UH REAL ESTATE INVESTMENT TRUST
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UNION HOMES REAL ESTATE INVESTMENT TRUST
STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustee's responsibilities to the Fund are as follows: -

1. Represents the interest of investing public and therefore play an oversight role in the operations and investments of the REIT.
2. The Trustees are meant to monitor the activities of the Fund Manager on behalf of and in the interest of the Unit holders.
3. The Trustees are required to monitor the register of Unit holders.
4. The Trustees are required to ascertain the profitability rationale for investment decision-making of the Fund Manager.
5. The Trustees are required to approve all major investments from the REIT's funds.
6. The Trustees are required to ascertain that monthly and other periodic returns/reports relating to the REIT are forwarded by the Fund Manager to the Securities and Exchange Commission (SEC).
7. The Trustees are also required to report any breach of the existing Laws, Rules and Regulations or Terms of the Trust Deed to the Securities and Exchange Commission (SEC).



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LEO OKAFOR, FCIS
Group Company Secretary
FRC/2013/NBA/00000002520

Lagos, Nigeria
25 March, 2025

UH REAL ESTATE INVESTMENT TRUST
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UNION HOMES REAL ESTATE INVESTMENT TRUST

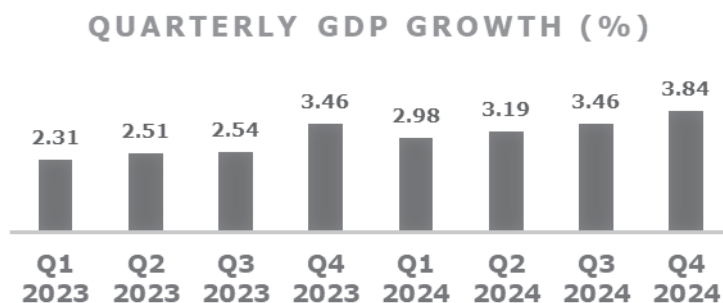
REPORT OF FUND MANAGER

ECONOMIC REVIEW 2024

The domestic economy remained resilient in 2024, posting a 3.84% growth (year-on-year) in real terms in Q4 2024; as economic headwinds were met with a slew of policies aimed at steering key macroeconomic indicators back on track.

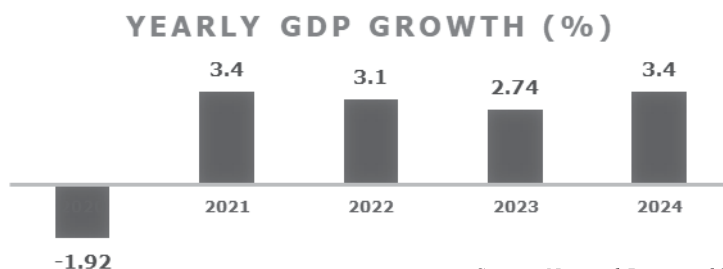
Comparison to Q4 2023 and Q3 2024, which both logged 3.46% growth is a pointer at sustained economic progression. The Services sector was a notable driver of growth in Q4 2024.

QUARTERLY GDP GROWTH (Q1 2023 – Q4 2024)



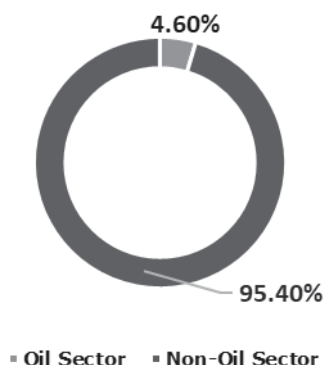
ANNUAL GDP GROWTH (2020 – 2024)

Source: National Bureau of Statistics (NBS)

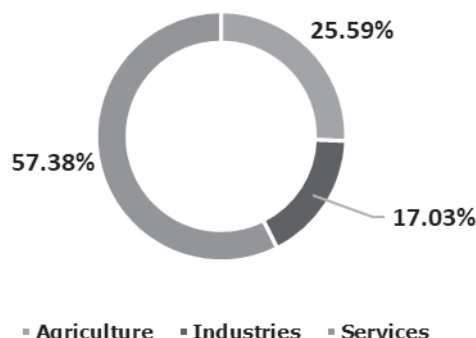


Source: National Bureau of Statistics (NBS)

CONTRIBUTION OF OIL AND NON-OIL SECTORS



CONTRIBUTION TO REAL GDP Q4 2024



NON-OIL

2024 Annual Reports & Accounts

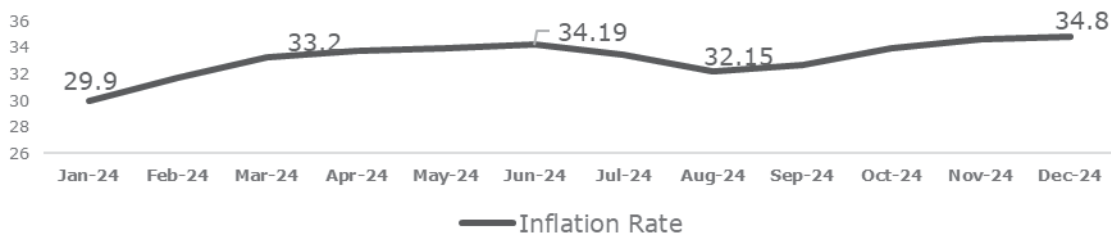
SECTOR

The Non-Oil sector contributed 95.4% to Nigeria's GDP in Q4 2024, marginally higher than 95.30% recorded in Q4 2023. Growth was mainly driven by Financial Services, Information and communication (Telecommunications), Agriculture (crop production), Trade, Transportation and storage (road Transport) and Manufacturing.

OIL SECTOR

The Oil sector contributed 4.60% to the GDP in Q4 2024 and expanded by 1.48% year-on-year in Q4 2024; down 10.64% compared to Q4 2023. Growth also declined by 3.70% compared to Q3 2024 (+5.17%). Over the quarter, Nigeria's oil production averaged 1.54 million barrels per day (mbpd) compared to 1.56mbpd in Q4 2023 (Q3 2024: 1.47mbpd).

INFLATION RATE % (JANUARY 2024 – DECEMBER 2024)

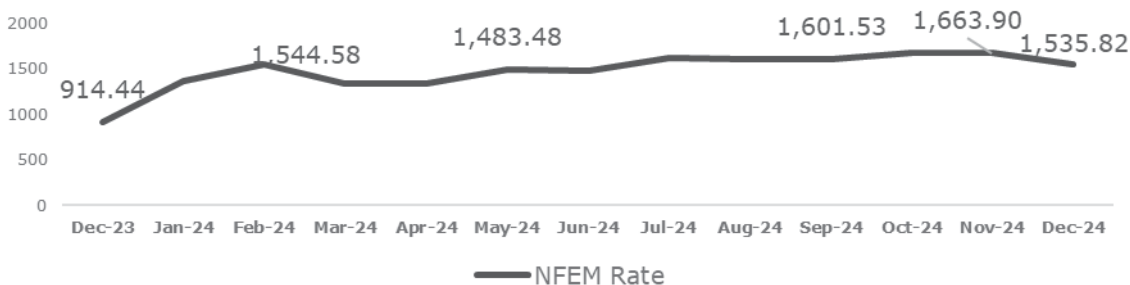


Source: National Bureau of Statistics (NBS), SFS Capital

Like previous years, Inflation remained in the ascendancy in 2024. The Consumer Price Index (CPI) logged growth of 34.8% in December 2024, compared to a 12-month low of 32.15%. Food inflation remained a key driver of inflation in 2024, accompanied by Housing, Water, Electricity Gas & Other Fuel as well as Clothing and footwear. Pricey imports due to unfavorable exchange rates and weak FX policies also remained a major inflation driver in 2024.

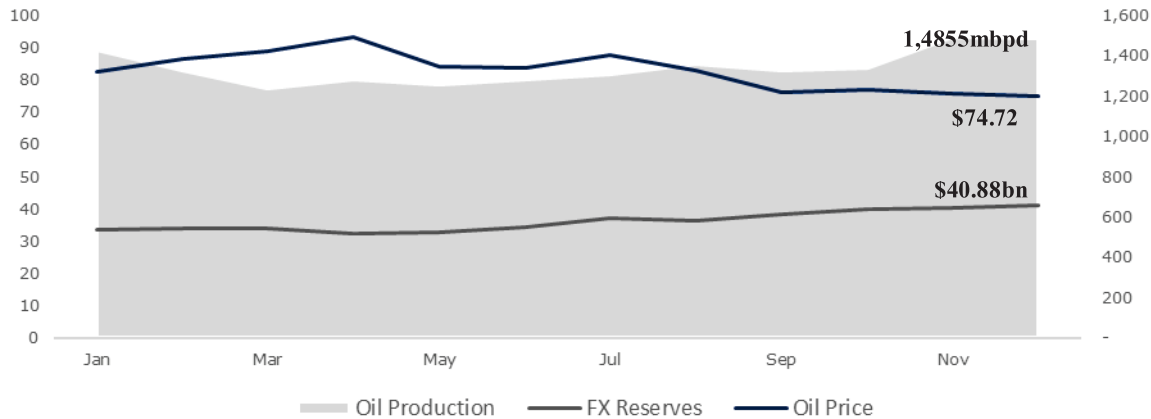
I&E FX WINDOW

In 2024, bearish pressure kept the naira on the back foot against the dollar. Having commenced the year at an official rate of ₦914.43/\$, rates rallied against the naira to close Q1 at ₦1,330,76/\$. Q2 and Q3 2024 closed even higher at ₦1,470.69 and ₦1,601.59 respectively; while the year eventually ended with an exchange rate of ₦1,535,82 as per data from the CBN. The CBN pressed on with efforts to manage the exchange rate in 2024. While the CBN had sold dollars to authorised BDCs over the course of the year, the CBN granted temporary access to the NFEM window to BDCs; to purchase dollars from authorized dealers, subject to a weekly cap of \$25,000 in December 2024. These trades were subject to 1% maximum spread. The CBN also stressed the continued availability of PTA and BTA from banks at the NFEM rate. Given the position of the exchange rate, efforts of the CBN are paying off to bring about availability and stability of FX.



2024 Annual Reports & Accounts

BRENT PRICE, OIL PRODUCTION & NIGERIA'S FX RESERVES (January 2024 – December 2024)

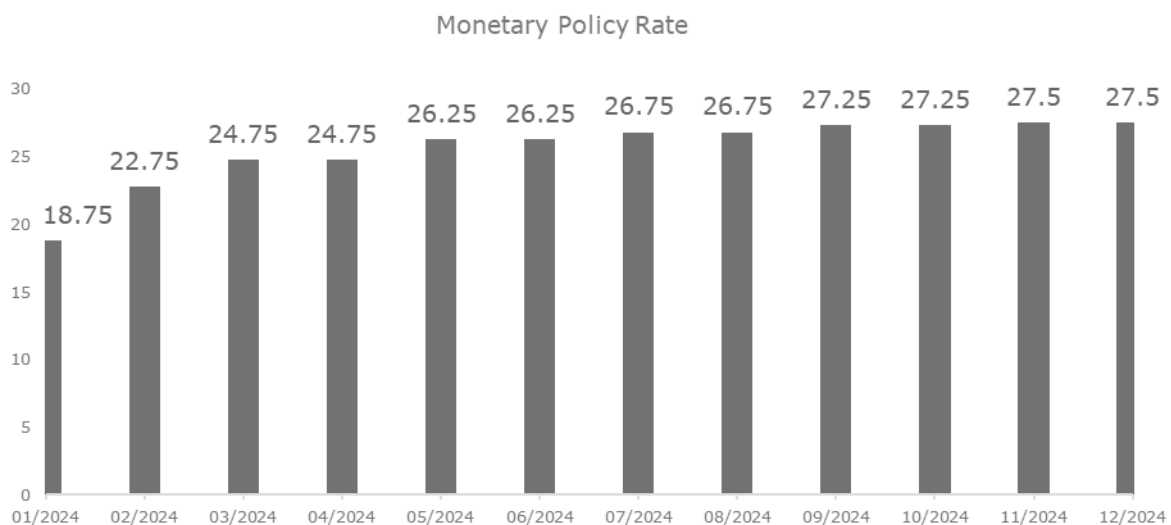


Source: Central Bank of Nigeria, OPEC, SFS Capital Research
 Oil Production – in thousands of barrels per day
 FX Reserves – US\$ Billion (bn)
 Oil Price – Brent Crude US\$ per barrel

Although Brent crude closed at \$79.12 per barrel (pb) in December 2023, it had surpassed \$90pb by April 2024. However, it commenced a gradual descent that saw it dip to \$76.05pb by the end of Q3 2024 and it ended the year at \$74.72pb. The price of Bonny Light, Nigeria's oil variant dipped to \$76.21pb in June 2024, and further to \$72.44pb in September 2024 but still ended the year above \$74pb.

Despite the dip in oil prices, FX reserves, which opened 2024 at circa. US\$32.91bn had spiked to US\$40.88bn by December 2024. However, there is need to further diversify FX revenues, although domestic oil production improved over the year (December 2024: 1.455mbpd, March 2024: 1.231mbpd). Agriculture- one of the more resilient sectors over time, remains a critical sector worth exploring.

MONETARY POLICY RATE % (January 2024 – December 2024)



The MPR started the year at 18.75%

The Monetary Policy Rate is the rate at which the CBN lends to other banks. The aggressive rise in H1 2024 from 18.75% to 26.25% in June 2024 tapered down in H2, with the rate ending the year at 27.5%. Thus, the other parameters as at year end were:

1. The Asymmetric Corridor within +500/-100bps of the MPR.
2. The Cash Reserve Ratio of 50% for Deposit money banks and 16% for Merchant Banks.
3. The Liquidity Ratio at 30%.

Real Estate Sector Review

In 2024, the Real Estate Sector grew by 0.79% (2023:1.68%). The sector also contributed 5.45% to real GDP in 2024 compared to 5.59% in 2023, amid a cocktail of adverse macroeconomic factors like infrastructural deficit, currency depreciation and rising construction costs. Nigeria's infrastructure deficit requires circa. \$3trillion over the next 30 years to close the infrastructural gap, while construction costs are continuously ballooned by rising import costs. Though waning economic performance has led to unfavorable business conditions and a decline in FDI which has curtailed the availability of capital for real estate and construction projects, estimates still put the value of the Nigerian Real Estate Market at about \$2.14trillion in 2024, with residential real estate accounting for \$1.77trillion.

Cities like Lagos, Abuja and Port Harcourt remained the prime markets in the Real Estate space in 2024. Representing the South-West, North-Central and South-South geopolitical zones respectively, these areas have evolved into a mix of residential and commercial structures that continually attract investment both locally and internationally; accented by the rapid population and industrial explosions. In mid-market areas, population growth continues to fuel demand for residential apartments. Still on the back of population growth, the supply of grade B+ retail mall developments grew in areas like Abuja.

A few notable trends evolved over the course of the year. There was higher demand for affordable housing, particularly in the noted cities due to the population boom. Hence, increased investments in low and middle-income housing projects with support from public private partnerships and government initiatives. Smart cities and sustainable projects remained at the fore, evidenced in Eko Atlantic (Lagos) and Centenary City (Abuja) where technology has seamlessly dovetailed with sustainability in Urban planning. Proptech solutions like virtual tours, online marketplaces and block-chain transactions have all facilitated real estate transactions in 2024, alongside integration of Artificial Intelligence (AI) and big data. With the introduction of remote and hybrid working arrangements, underutilized commercial properties are being converted into coworking hubs and joint workspaces. In addition, mixed use developments have become more prominent, combining residential, commercial and recreational spaces to meet lifestyle-oriented living.

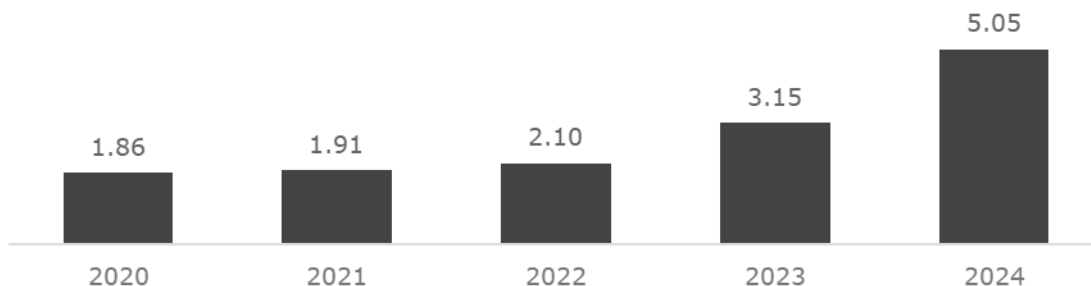
The Government is involved in alleviating the existing infrastructure deficit. In the 2024 budget, ₦2.25tn was allocated to 45 ministries to provide infrastructure. The Federal Government also moved to provide 50,000 houses under its Renewed Hope Cities Agenda, with State Governments contributing land and labour. From a commercial and industrial perspective, the FG commissioned a 181MW geometric powerplant in Aba alongside a 188MW thermal plant. Africa Development Bank (AfDB) also commenced the disbursement of \$540m for developing Special Agro-Industrial Processing Zones (SAPZs) in Nigeria, to transform rural areas into economic hubs via commercial agriculture and food processing. With Oyo, Kaduna and Cross River States set to be the early beneficiaries, 27 states would subsequently follow.

FUND PERFORMANCE

The UH Real Estate Investment Trust Fund ("UH REIT" or "the Fund") generated gross revenue of ₦1.28 billion in 2024 compared to ₦884.28 million in 2023, attributable to higher rental income, property disposal and interest income. Net Income had crossed the N1bn mark by year end to close at ₦1.05 billion, up 59.29% from the preceding year at ₦656.13 million. At ₦5.56, Earnings per Share in 2024 is also higher than 2023 by 59.31%, which posted at ₦3.49.

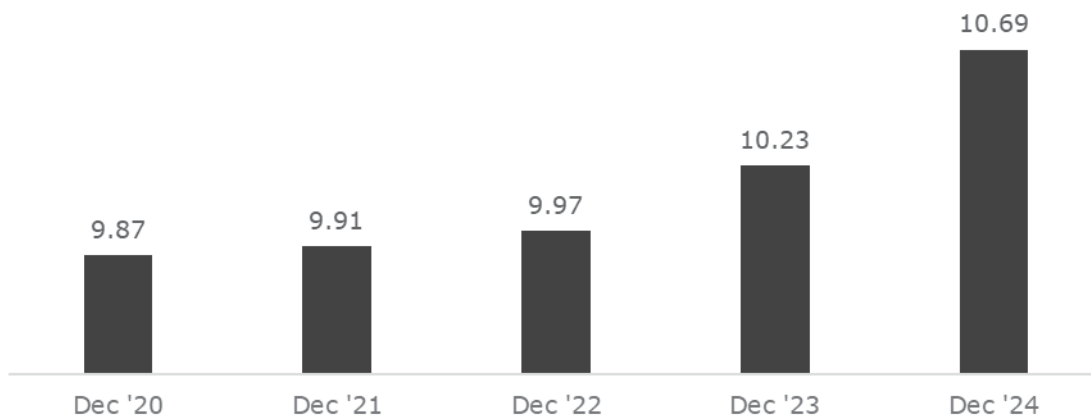
The REIT has a proposed dividend of ₦5.05 for the year ended 2024 (2023: ₦3.15). The Net Asset Value ("NAV") of the fund grew by 4.42% in 2024, to close the year ₦10.69 billion. As at year end, the share price was ₦36.6.

DISTRIBUTION TREND



NAV TREND

UH REIT NAV (N'BN)



Some Properties in the UH REIT include:

1. Macdonald Court
2. Savannah Court
3. Contemporary Apartment
4. Olive Apartment
5. Continental Apartment
6. Charter Court among others

FORECAST

The Nigeria Real Estate Market is estimated to grow to \$2.61tr by 2025, with residential real estate expected to account for \$2.25tr, on the back of urbanization and rising demand for housing.

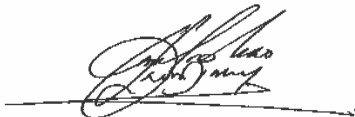
Housing demand is projected to grow by 8% annually to 30 million units by end of 2025, catalyzed by a 2.5% annual population growth rate and urban migration among other factors.

Conversely, housing supply is expected to grow by 5% due to financing and construction issues. The Honourable Minister of Housing and Urban Development has indicated that 10,122 of the 20,000 houses targeted under the Renewed Hope Cities and Estates Programme will be available by year end, providing some succour.

Lagos, Abuja and Port Harcourt are expected to remain at the fore. In Lagos, urbanization, investments from abroad and economic opportunities continue to fuel demand. Property prices are expected to spike by 15% in 2025, with projects like the Eko Atlantic and Lekki Free Trade Zone which hosts Dangote Refinery and Lekki deep seaport among others, driving demand for affordable housing in the hinterlands of Epe and Ibeju Lekki. High-brew areas like Ikoyi, VI and Lekki are favorites for luxury housing and short lets. The Lagos short let market is estimated to generate ₦300 billion in 2025 (2024: ₦264.3 billion) over with "Detty December" being a notable contributor. Generally, rents could rise by 10-30% annually in 2025.

Demand for housing in Abuja remains politically driven but also supported by a rising middle-aged population. Luxury housing and mixed-use developments are expected but Wuse and Garki are particularly expected to produce commercial investments. Surrounding cities like Kubwa and Lugbe are also expected to spring up. Property prices are expected to rise by 8-10% in 2025. In Port Harcourt, demand is likely to be oil and gas driven with opportunities in high end residential and commercial properties. Property prices are expected to rise by about 6% in the new year.

The UH REIT followed the trend. The Fund Manager increased rents across board in 2024 and the fund is projected to have increased rental income in 2025.



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Irodianya Patrick
FRC/2013/ICAN/00000002177
Director
25 March 2025



.....
Gbenro Yemi
FRC/2014/CIB/00000002190
Director
25 March 2025

UH REAL ESTATES INVESTMENT TRUST (REIT)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2024

The Trustee hereby presents their Report on the affairs of UH Real Estate Investment Trust (The Fund) together with the Auditor's Report and Financial Statements for the year ended 31st December 2024.

Principal Activities & Business Review:

The Fund opened for subscription on 19th August 2008 and commenced investment activities on 3rd February 2009. Registered as a Close-ended Investment Scheme and Real Estate Investment Trust (REIT) in Nigeria by the Securities and Exchange Commission ("SEC") under the Investment and Securities Act 2007, it is governed by a Trust Deed with United Capital Trustees Limited as Trustee to the Fund. The Fund is established to provide Investors with long-term capital appreciation and to optimize investors' returns by investing in a strategic mix of Real Estate properties and money market instruments as specified in Clause 3.1 of the Trust Deed and as spelt out in the Prospectus. The Fund is listed on the Floor of the Nigerian Stock Exchange and in line with international best practices. Its assets are totally segregated from the assets of the Manager.

Performance of the UH Real Estate Investment Trust:

The performance of the Fund as a function of its Net Asset Value is as follows:

	2024	2023
	₦'000	₦'000
Net Asset Value	10,687,160	10,234,626

The Net Asset Value increased from ₦10,234,626,000.00 as at 31st December 2023 to ₦10,687,160,000.00 as at 31st December 2024.

Operating Results:

	2024	2023
	₦'000	₦'000
Profit before taxation	1,057,273	676,808
Taxation	<u>(12,139)</u>	<u>(20,679)</u>
Profit after taxation	<u>1,045,134</u>	<u>656,129</u>

ADMINISTRATION OF THE SCHEME

Income Generation:

During the period under review, Profit before tax generated by the Fund increased by 56.21% when compared to 2023 which shows strong financial growth.

Compliance:

Asset Allocation Requirement

Compliance with the Asset Allocation requirement of the Fund (90% in Real Estate related investment and 10% in Liquid Asset investments). As at 31st December, 2024 the portfolio had 90.43% in Real Estate Related Investments, while 9.57% was invested in Liquid Assets.

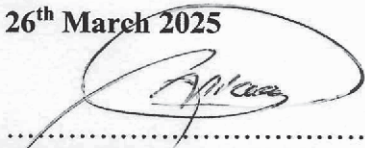
Parties to the Fund:

Fund Manager	-	SFS Capital Nigeria Limited
Trustee	-	United Capital Trustees Limited
Registrar	-	Greenwich Registrars & Data Solutions
Auditors	-	Baker Tilly Nigeria
Custodian	-	UBA Global Investor Services

BY ORDER OF THE TRUSTEE

United Capital Trustees Limited
3rd & 4th Floor, Afriland Towers
97/105, Broad Street
Lagos

26th March 2025



.....
FRC/2023/PRO/DIR/003/313031

Michael Abiodun Thomas
Managing Director

CERTIFICATION OF THE ACCOUNTS
BY THE DIRECTORS OF THE FUND MANAGER

We hereby certify the accounts and state that neither the Manager nor any other person acting on its behalf has: -

- Transferred units to another person for sale, resale or subsequent transfer to the manager for sale or resale;
- Acquired or disposed of investments for account of the Fund otherwise than through a process duly approved by the investment committee;
- Acquired units for a price higher than the prevailing bid price; or
- Disposed of units for a price lower than the prevailing offer price.



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Ilodiana Patrick
FRC/2013/ICAN/00000002177
Director
25 March 2025



.....
Gbenro Yemi
FRC/2014/CIB/00000002190
Director
25 March 2025

REPORT OF THE INDEPENDENT AUDITOR

TO THE MEMBERS OF UH REAL ESTATE INVESTMENT TRUST

Report on the Audit of the Financial Statements

To the directors of UH Real Estates Investment Trust (REIT) We have audited the financial statements of UH Real Estates Investment Trust (REIT) (the company) set out on Pages 15 to 40 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 a summary of significant accounting policies.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of UH Real Estates Investment Trust (REIT) as at 31 December 2024, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, 2020.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. 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) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Nigeria. 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 UH Real Estates Investment Trust (REIT) financial statements for the year ended 31 December 2024 which includes the Directors' Report as required by the Companies and Allied Matters Act 2020 and the Detailed Income Statement, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

ADVISORY • ASSURANCE • TAX

Bakertilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

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.

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 International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act 2020, 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit 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.

2024 Annual Reports & Accounts

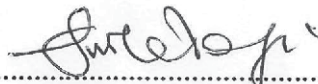
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a 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.
- 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

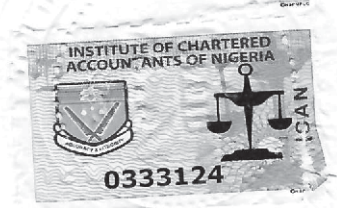
The Companies and Allied Matters Act 2020 requires that in carrying out our audit, we consider and report to you on the following matters. We confirm that: -

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) accounting records have been kept by the Company; and
- iii) the Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the accounting records



Oluwale O. Ogundeji
FRC/2013/PRO/ICAN/004/00000002825
for: Baker Tilly Nigeria
(Chartered Accountants)
FRC/2024/COY/096262

Lagos, Nigeria
25 March, 2025



UH REAL ESTATE INVESTMENT TRUST

**STATEMENT OF COMPREHENSIVE INCOME
(TOTAL RETURN)
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 N'000	2023 N'000
Investment income	3	1,277,776	884,278
<i>Deduct:</i>			
Operating expenses	4	<u>(220,503)</u>	<u>(207,470)</u>
Net income before taxation		1,057,273	676,808
Taxation	5	<u>(12,139)</u>	<u>(20,679)</u>
Net income after taxation	15	1,045,134 =====	656,129 =====
Net increase in unit holder's fund from investment activities		1,045,134 =====	656,129 =====
Earnings per unit basic(N)		5.56 =====	3.49 =====

The notes and accounting policies on pages 21 to 38 form an integral part of these financial statements

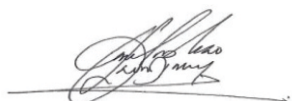
2024 Annual Reports & Accounts

UH REAL ESTATE INVESTMENT TRUST

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

Assets:	Note	2024	2023
<i>Current Assets</i>		N'000	N'000
Cash and cash equivalents	6	2,088,470	1,362,909
Financial assets at amortized cost	7	405,210	414,818
Other assets	8	5,658	5,925
Trade and other receivables	9	103,452	101,364
Plant & equipment	10	56,219	50,860
<i>Total current assets</i>		2,659,009	1,935,876
		-----	-----
<i>Non-Current Assets</i>			
Investment properties	11	9,968,727	10,039,084
		-----	-----
<i>Total assets</i>		12,627,736	11,974,960
		-----	-----
Liabilities:			
<i>Current Liabilities</i>			
Rent received in advance	12	359,084	279,702
Accruals and other payables	13	1,573,157	1,452,972
<i>Total current liabilities</i>		1,932,241	1,732,674
		-----	-----
<i>Non-Current Liabilities</i>			
Rent received in advance	12	8,335	7,660
		-----	-----
<i>Total liabilities</i>		(1,940,576)	(1,740,334)
		-----	-----
Net assets		10,687,160	10,234,626
		=====	=====
Equity and reserves			
Unit holders' equity	14	9,406,353	9,406,353
Retained earnings	15	1,280,807	828,273
Unit holders' fund		10,687,160	10,234,626
		=====	=====

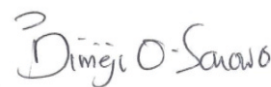
The financial statements were approved by the Board of Directors on 25 March, 2025 and signed on its behalf by:



.....
Patrick Ilodiana
Managing Director
FRC/2013/ICAN/00000002177



.....
Yemi Gbenro
Director
FRC/2014/CIB/00000002190



.....
Dimeji Sonowo
Executive Director
FRC/2013/ICAN/00000002089

The notes and accounting policies on pages 21 to 38 form an integral part of these financial statements

UH REAL ESTATE INVESTMENT TRUST
STATEMENT OF CHANGES IN EQUITY
(MOVEMENTS IN UNIT HOLDERS' FUND)
FOR THE YEAR ENDED 31 DECEMBER 2024

	Unit Equity ₦'000	General reserve ₦'000	Total ₦'000
1 January 2024	9,406,353	828,273	10,234,626
Dividend	-	(592,600)	(592,600)
Transfer from income statement	<u>-</u>	<u>1,045,134</u>	<u>1,045,134</u>
31 December 2024	<u>9,406,353</u> =====	<u>1,280,807</u> =====	<u>10,687,160</u> =====
 1 January 2023	 9,406,353	 567,211	 9,973,564
Dividend	-	(395,067)	(395,067)
Transfer from income statement	<u>-</u>	<u>656,129</u>	<u>656,129</u>
31 December 2023	<u>9,406,353</u> =====	<u>828,273</u> =====	<u>10,234,626</u> =====

The notes and accounting policies on pages 21 to 38 form an integral part of these financial statements

UH REAL ESTATE INVESTMENT TRUST
PORTFOLIO STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2024

	Market value ₦'000	2024 Percentage of portfolio %	Market ₦'000	2023 Percentage of net assets %
Real estate	9,278,727	84.17	9,539,084	88.25
Real estate related	<u>690,000</u>	<u>6.26</u>	<u>500,000</u>	<u>4.63</u>
	9,968,727	90.43	10,039,084	92.88
	-----	-----	-----	-----
Money market investments				
Cash and cash equivalents	2,088,470		1,362,909	
Financial assets held to maturity	<u>405,210</u>		<u>414,818</u>	
	2,493,680		1,777,727	
Unclaimed dividend	(488,804)		(414,979)	
Proposed dividend	(950,042)		(592,600)	
	-----		-----	
	1,054,834	9.57	770,148	7.12
	-----	-----	-----	-----
Total value of portfolio	<u><u>11,023,561</u></u>	<u><u>100</u></u>	<u><u>10,809,232</u></u>	<u><u>100</u></u>

The Fund is expected to invest a minimum of 90% of the Fund's total assets in Real Estates and Real Estates related assets, while the remaining 10% should be invested in money market.

As at 31 December 2024, the Fund's investment in Real Estates and real estate related was 90.43% of the Fund's total assets.

UH REAL ESTATE INVESTMENT TRUST

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 N'000	2023 N'000
Operating profit before working capital changes	16.1	1,082,374	698,595
Working capital changes	16.ii	202,063	215,019
Income tax paid		<u>(12,139)</u>	<u>(20,679)</u>
Net cash flow from operating activities		1,272,298	892,935
		-----	-----
Cash flow from investing activities:			
Disposal/(additions) development of investment in properties		70,357	(219,025)
Purchases of PPE		(28,733)	(15,591)
Investment in money market		<u>9,608</u>	<u>563,717</u>
Net cash flow from investing activities		51,232	329,101
		-----	-----
Financing activities			
Dividend paid		(592,600)	(395,067)
		-----	-----
Net increase/(decrease) in cash and cash equivalents		725,561	826,969
Cash and equivalents brought forward		<u>1,362,909</u>	<u>535,940</u>
Cash and cash equivalents at the end of the year	6	2,088,470	1,362,909
		=====	=====

The notes and accounting policies on pages 21 to 38 form an integral part of these financial statements

UH REAL ESTATE INVESTMENT TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1.0 General information

Reporting entity

UH Real Estate investment Trust ‘UHREITS’ (formerly *Union Homes Real Estate Investment Trust*) was established on August 19, 2008 as a Unit Trust Scheme, registered and listed on the floor of the Nigerian Stock Exchange on 2 July, 2010. The Fund is managed by SFS Capital Nigeria Limited which is located at Plot 287, Ajose Adeogun Street, Victoria Island, Lagos.

The UH REIT is an actively managed, close ended unit Trust scheme whose primary objective is to achieve long term capital appreciation of its assets by investing a minimum of 90% of the assets in Real Estate and Real Estate related investments. The Trust Deed provides for a maximum of 10% of the Fund’s total assets to be invested in quality money market instruments to ensure liquidity.

The Fund is established to provide an opportunity for a large number of investors to share the ownership of a group of real estate assets through the medium of a Fund that buys, develops, manages and sells real estate assets.

2.0 Accounting policies

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

2.1 Basis of preparation

Statement of compliance

The financial statements have been prepared in compliance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and with the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) as adopted by the Federal Republic of Nigeria.

Functional and presentation currency

The financial statements are presented in Nigeria Naira (₦) which is the Fund’s functional and presentation currency.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to

accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value through profit or loss.

2.2 Standards and interpretations issued/amended but not yet effective

The standards listed below have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January 2024. The Company has not applied the following new or amended standards in preparing these financial statements as it plans to adopt these standards at their respective effective dates. Insights on these new standards/amendments are provided below.

IAS 21 -Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates) 1 January 2025

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Company does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Company.

2.3 Summary of significant accounting policies

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

i. *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and at bank, call deposits and short term highly liquid financial assets (including money market funds) with original maturities of less than or of three months, which are subject to insignificant risk of changes in their fair value, and are used by the Fund in the management of its short-term commitments.

ii. *Investment properties*

Investment properties comprise of completed property and property under construction or re-development held to earn rental income or for capital appreciation or both or for disposal.

Investment property is measured initially at cost including transaction costs. Transaction costs include professional fees for legal services and other commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria is met.

Subsequent to initial recognition, investment properties are stated at cost less impairment losses. The investment properties are valued periodically and the amount on valuation stated as a way of note in the financial statements. Gains or losses arising from changes in the value are not recognized in the books until such investment properties are disposed of.

Investment property is de-recognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment property is recognized in the income statement in the year of retirement or disposal.

Gains or losses on the disposal of investment property is determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

iii. ***Property, Plant and Equipment***

The Fund does not hold any property, plant and equipment at present as it is against the position of the Securities and Exchange Commission (SEC). All properties, plant and equipment used for managing the Fund are owned by the Fund manager who is paid management fees. However, items of plant and machinery relating to investment property are accounted for separately and depreciated over its useful life span.

iv) **Financial instruments**

(a) **Recognition and measurement**

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Purchases and sales of financial instruments are measured on a trade-date basis.

Financial liabilities and equity instruments, issued by the company, are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets are derecognised when and only when:

- The contractual rights to the cash flows from the financial assets expire; or
- The company transfers the financial asset, including substantially all the risks and rewards of ownership of the asset.

A financial liability is derecognised when and only when the liability is extinguished, that is, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Investments made by the company which are classified as either held at fair value through profit or loss or available-for-sale, are measured at subsequent reporting dates at fair value.

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 values of quoted investments and unit trusts in active markets are based on current market prices. Since actual market prices are available in determining fair values, no significant estimates or valuation models are applied in determining the fair value of quoted financial instruments.

(b) Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 ‘Financial Instruments: Disclosures’:

- Level 1: quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
- Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.
- Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

(c) De-recognition of financial instruments

Financial assets are derecognised when the contractual right to receive cash flows from the investments have expired or on trade date when they have been transferred and the Company has also transferred substantially all risks and rewards of ownership. Non-cash financial assets pledged, where the counterparty has the right to sell or re-pledge the assets to a third party, are classified as pledged assets.

Financial liabilities are derecognised when they are extinguished, that is when the obligation is discharged, cancelled or expires.

(d) Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss; loans and receivables, held-to-maturity and available-for-sale financial assets. Management determines the classification of financial assets at initial recognition. This classification depends on the nature and purpose of the financial asset.

(i) *Financial assets at fair value through profit or loss*

This category has two components: those held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of generating a profit from short-term fluctuations in price or

dealer's margin, or a security is included in a portfolio in which a pattern of short-term profit taking exists or if so designated by management at inception as held at fair value through profit or loss.

Financial assets designated at fair value through profit or loss at inception are those that are:

- Held to match liabilities that are linked to changes in fair value of these assets. The designation of these assets at fair value through profit or loss eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising gains and losses on them on different bases; or
- Managed and whose performance is evaluated on a fair value basis. Information about these financial assets is provided internally on a fair value basis to the company's key management personnel.

The company's investment strategy is to invest in equity and debt securities, and to evaluate them with reference to their fair values. Assets that are part of these portfolios are designated upon initial recognition at fair value through profit or loss.

(ii) ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured on initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reductions for impairment of financial assets. The carrying amount represents its fair value.

(iii) ***Available-for-sale***

Available-for-sale instruments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices. Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value on the statement of financial position.

(iv) ***Held-to-maturity***

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has both the positive intent and ability to hold to maturity. Were the company to sell more than an insignificant amount of held-to-maturity investments, the entire category would be tainted and reclassified as available-for-sale assets with the difference between amortised cost and fair value being accounted for in other comprehensive income (OCI). Held-to-maturity investments are carried at amortised cost, using the effective interest method, less any impairment losses.

(e) Financial liabilities

Financial liabilities are recognised initially at fair value, generally being their issue proceeds net of transaction costs incurred. Financial liabilities are subsequently stated at amortised cost and interest is recognised over the period of the borrowing using the effective interest method.

The company classifies certain liabilities at fair value through profit or loss, mainly to match the accounting classification of assets with similar risks. Such liabilities are accounted for at fair value with changes in fair value recognised in profit or loss.

(f) Gains and losses

Gains and losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are included in profit or loss in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss. Interest income, calculated using the effective interest method, is recognised in profit or loss except for short term receivables where the recognition of interest would be immaterial. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the company’s right to receive payment is established.

(g) 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 on 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.

(h) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or, realise the asset and settle the liability simultaneously.

Impairment of financial assets

- **Assets carried at amortised cost**

At each reporting date, the company assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the

estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it then includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment. If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

When a loan is uncollectible, it is written off against the related provision for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the provision for loan impairment 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 (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

- **Assets carried at fair value**

At each reporting date, the company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from comprehensive income and recognised in profit or loss.

Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not subsequently reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income. However, if in a

subsequent period the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

v. ***Provisions***

A provision is recognized only if, as a result of a past event, the Fund has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

vi. ***Deferred income – rent received in advance***

Deferred income represents income collected but not earned as at the company's year end. This is primarily composed of rent received in advance on leased properties. Deferred income is recorded for all income related to the trade of the business in the next financial year.

vii. ***Borrowings – mortgage loan***

Borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised cost using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the statement of other comprehensive income over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current and non-current liabilities depending on the repayment period of the borrowing.

viii. ***Related party transactions***

Related party transactions are disclosed separately as to the type of relationship that exists and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

ix ***Taxes***

The Fund is not subjected to income and education taxes on its income by the concession given to the Fund. This concession was given and approved by the Federal Ministry of Finance in accordance with international best practice. This concession covers:

- Exemption from Companies Income Tax, although WHT will be imposed on dividend distribution to investors; any distribution below the prescribed threshold (i.e. 90%) will disqualify the REIT from tax exemption.
- Exemption from stamp duties to reduce transaction costs; and
- Exemption from Capital Gains Tax on the ground that income arising from sales or disposal will be ploughed back for the purchase of additional properties or distributed as dividend.

x. Unit holders equities and reserves

Unit issue costs

Incremental costs directly attributable to the issue of new units are shown in equity as a deduction.

Distributions

Distributions to the Fund's unit holders are recognised in equity in the period in which they are made or, if earlier, approved by the Fund's unit holders. Distributions for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

xi. Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

xii. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Fund and the revenue can be reliably measured. Revenue of the Fund comprises of:

Rental income:

Rental income receivable from operating leases, less the Fund's initial direct costs of entering into the leases, is recognised on a straight-line basis over the term of the lease. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the income statement when they arise.

Services rendered/service charge and expenses recoverable from tenants:

Revenue associated with the rendering of services is recognised with reference to the stage of completion of the transaction at the end of the accounting period. Income arising from expenses recharged to tenants is recognised in the period in which the expense can be contractually recovered.

Sale of completed property and Sale of property under development:

Income is recognised when the significant risks and returns have been transferred to the buyer, which is normally on unconditional exchange of contracts. For conditional exchanges, sales will be recognised only when all the significant conditions are satisfied.

Increase from money market investments

The Fund receives interest on money market instruments and this is recognized in the accounts when the amount is paid to the fund bank accounts. The Fund main investments in treasury bills and banks fixed deposit.

xiii. ***Borrowing costs***

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Fund incurs in connection with the borrowing of funds.

xiv. ***Expenditure recognition***

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the income statement is presented as classification based on either their nature or their function within the Fund whichever provides information that is reliable and more relevant.

2024 Annual Reports & Accounts

	2024 ₹'000	2023 ₹'000
3. Investment income		
Rental income	618,119	531,250
Interest income	324,204	246,348
Profit on disposal of property	329,643	97,975
Sundry income (note 3.1)	5,810	8,705
	<u>1,277,776</u>	<u>884,278</u>
	=====	=====
3.1 Sundry income		
Legal fee	5,500	8,415
Scrap sales	310	290
	<u>5,810</u>	<u>8,705</u>
	=====	=====
4. Operating expenses		
Management fees	105,878	101,744
VAT on management fees	7,630	-
Property maintenance expenses	24,472	23,688
Depreciation plant & machinery	23,374	21,787
Insurance fee	11,219	10,276
Custodian fees	10,588	10,174
Regulatory fee	1,245	2,750
Audit fee	3,000	3,000
Rating agency	2,500	2,500
Provision for AGM expenses	2,500	2,500
Trusteeship fee	2,500	2,500
Valuation expenses	-	213
Registrar fees	580	768
Legal charges	2,291	3,220
Independent Members sitting allowances	1,000	1,400
Bank charges	140	87
SEC Supervisory fee	21,009	20,320
Newspapers/periodicals	577	543
	<u>220,503</u>	<u>207,470</u>
	=====	=====
5. Taxation		
Withholding tax paid	12,139	20,679
	=====	=====
This amount represents amount deducted from interest received from call deposits with banks which is deemed to be the final tax paid by the Fund.		
6. Cash and cash equivalents		
Cash at bank	3,766	19,721
Short-term investment	2,084,704	1,343,188
	<u>2,088,470</u>	<u>1,362,909</u>
	=====	=====

2024 Annual Reports & Accounts

The details of short-term deposits are:

	Principal Amount N'000	Principal Amount N'000
UBA Nominee	91,564	62,537
Bank placement (Polaris Bank Nigeria Limited)	21,119	-
Treasury bills	<u>1,972,021</u>	<u>1,280,651</u>
	<u>2,084,704</u>	<u>1,343,188</u>
	=====	=====

Cash at bank earns interest at floating rates based on daily bank deposit rate. The short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rates.

7.	Financial assets at amortized cost	Fair Value	Discounted	Tenor
	Investment in treasury bills			
	2024			
	Medium Term Notes	18,001	18,001	715days
	Federal Government Bond	<u>387,209</u>	<u>387,209</u>	9,124days
		<u>405,210</u>	<u>405,210</u>	
		=====	=====	
	2023			
	Medium Term Notes	24,635	24,005	1,081days
	Federal Government Bond	<u>390,183</u>	<u>390,183</u>	9,490days
		<u>414,818</u>	<u>414,188</u>	
		=====	=====	

8.	Other assets – prepayments	2024 N'000	2023 N'000
	Insurance – fire and special peril policy	5,658	5,925
		=====	=====

Insurances prepaid and the respective amounts are on the following investment properties.

Apartment in Savannah, locke :

Macdonald, Victors Court and Sinari	4,297	4,378
-------------------------------------	-------	-------

Apartments in Olusegun Aina:

Amina and Mike Akhigbe	921	1,049
28A, Rumens Street, Ikoyi	<u>440</u>	<u>498</u>
	<u>5,658</u>	<u>5,925</u>
	=====	=====

9.	Trade and other receivables		
	Rent receivables (note 9.1)	62,072	62,072
	<i>Other receivables:</i>		
	Interest receivables (note 9.2)	<u>41,380</u>	<u>39,292</u>
		<u>103,452</u>	<u>101,364</u>
		=====	=====

2024 Annual Reports & Accounts

9.1 Rent receivables

Rent receivables on properties as at 31 December, 2024 comprises of rent due on the following properties:

	2024	2023
	N'000	N'000
McDonald Court, Block 4-6 McDonald	28,211	28,211
Road Ikoyi, Lagos	6,585	6,585
Amina Court	9,199	9,199
Savannah Court	9,403	9,403
9, Mike Akhigbe Way, Abuja	5,032	5,032
Plot 3, Block A4, Olusegun Aina Street, Ikoyi	3,327	3,327
28A, Rumen Property	315	315
Locke apartments	62,072	62,072
	=====	=====

9.2 Interest receivables

Interest receivables are accrued interests on deposits with Polaris Bank Plc. The deposits have maturity periods of between one day and twelve months.

10. Property, plant and equipment

	Improvement to building	Plant and Machinery	Household equipment	Total
	N'000	N'000	N'000	N'000
Cost				
As at 01/01/2024	22,238	85,843	53,373	161,454
Additions	-	24,858	3,875	28,733
Disposal/reclassification	-	-	-	-
As at 31/12/2024	22,238	110,701	57,248	190,187
	=====	=====	=====	=====
As at 01/01/2023	22,238	84,543	39,082	145,863
Additions	-	1,300	14,291	15,591
Disposal/reclassification	-	-	-	-
As at 31/12/2023	22,238	85,843	53,373	161,454
	=====	=====	=====	=====
Depreciation				
As at 01/01/2024	6,116	76,379	28,099	110,594
Charged for the year	3,336	14,166	5,872	23,374
Disposal	-	-	-	-
As at 31/12/2024	9,452	90,545	33,971	133,968
	=====	=====	=====	=====
As at 01/01/2023	2,780	68,550	17,477	88,807
Charged for the year	3,336	7,829	10,622	21,787
Disposal	-	-	-	-
As at 31/12/2023	6,116	76,379	28,099	110,594
	=====	=====	=====	=====
Net book value				
31 December, 2024	12,786	20,156	23,277	56,219
	=====	=====	=====	=====
31 December, 2023	16,122	9,464	25,274	50,860
	=====	=====	=====	=====

2024 Annual Reports & Accounts

	2024 N'000	2023 N'000
11. Investment properties		
Completed investment property		
At start of the period	10,039,084	9,820,059
Capital expenditure on property during the year	190,000	445,000
Disposals	(260,357)	(225,975)
At end of the period	9,968,727	10,039,084
	=====	=====

This is detailed as follows:

Movement in the year ended 31 December, 2024

	01/01/2024 N'000	Net Additional/ disposal N'000	31/12/2024 N'000
Apartment at McDonald Court			
Block 4-6 McDonald Rd, Ikoyi Lagos	1,143,143	-	1,143,143
11A Sapara Williams Str. V/I Lagos	1,733,875	-	1,733,875
Plot 3, Block A4, Olusegun Aina Str. Ikoyi	341,925	(113,975)	227,950
9, Mike Akhigbe Way, Abuja	418,421	-	418,421
1 Sinari Daranijo Street, V/I	2,692,456	-	2,692,456
Victors Courts, No. 2, Palace Rd, Parkview	84,202	(84,202)	-
28a, Rumens Street, Ikoyi	1,703,461	-	1,703,461
Amina Court	310,900	(62,180)	248,720
Locke apartments	665,701	-	665,701
FGN Sukuk	300,000	50,000	350,000
FGN Sukuk 2	200,000	-	200,000
FGN Sukuk 3	-	140,000	140,000
Victoria Crest V Estate	445,000	-	445,000
	10,039,084	(70,357)	9,968,727
	=====	=====	=====

Movement in the year ended 31 December, 2023

	01/01/2023 N'000	Net Additional/ disposal N'000	31/12/2023 N'000
Apartment at McDonald Court			
Block 4-6 McDonald Rd, Ikoyi Lagos	1,143,143	-	1,143,143
11A Sapara Williams Str. V/I Lagos	1,733,875	-	1,733,875
Plot 3, Block A4, Olusegun Aina Str. Ikoyi	455,900	(113,975)	341,925
9, Mike Akhigbe Way, Abuja	418,421	-	418,421
1 Sinari Daranijo Street, V/I	2,692,456	-	2,692,456
Victors Courts, No. 2, Palace Rd, Parkview	196,202	(112,000)	84,202
28a, Rumens Street, Ikoyi	1,703,461	-	1,703,461
Amina Court	310,900	-	310,900
Locke apartments	665,701	-	665,701
FGN Sukuk	300,000	-	300,000
FGN Sukuk2	200,000	-	200,000
Victoria Crest V Estate	-	445,000	445,000
	9,820,059	219,025	10,039,084
	=====	=====	=====

2024 Annual Reports & Accounts

	2024 N'000	2023 N'000
12. Rent received in advance		
At 31 December	367,419	287,362
<i>Analysed into:</i>		
Current liability	359,084	279,702
Non-current liability	8,335	7,660
	367,419	287,362
Movement in rent received in advance		
Balance at beginning	287,362	150,900
Recognised as income during the year	(618,912)	(531,250)
Rent received during year	699,923	667,712
Balance at end	368,373	287,362

31 December, 2024

Property at	Type	Current Portion N'000	Non-current portion N'000	Expiry date
Locke Apartment at Lekki	Residential	39,272	-	01/12/2025
Rumens Road	Residential	78,400	3,790	19/01/2026
Amina Court at Abuja	Residential	12,318	-	31/12/2025
Sapara Williams	Residential	68,427	-	08/12/2025
Olusegun Aina	Residential	4,077	-	31/08/2025
Olive mast	Residential	2,100	4,545	27/02/2028
Mike Akhigbe	Residential	16,347	-	06/12/2025
Sinari Daranijo	Residential	74,242	-	07/07/2025
McDonald Court	Residential	46,345	-	30/10/2025
Victoria Crest	Residential	17,556	-	31/12/2025
		359,084	8,335	

31 December, 2023

Property at	Type	Current Portion N'000	Non-current portion N'000	Expiry date
Locke Apartment at Lekki	Residential	33,816	-	30/11/2024
Rumens Road	Residential	50,198	1,015	07/02/2025
Victors Court	Residential	1,315	-	30/04/2024
Amina Court at Abuja	Residential	3,768	-	31/07/2024
Sapara Williams	Residential	40,530	-	08/12/2024
Olusegun Aina	Residential	10,077	-	31/12/2024
Olive mast	Residential	2,100	6,645	06/01/2028
Mike Akhigbe	Residential	13,946	-	06/12/2024
Sinari Daranijo	Residential	74,242	-	07/07/2024
McDonald Court	Residential	41,154	-	30/09/2024
Victoria Crest	Residential	8,556	-	
		279,702	7,660	

2024 Annual Reports & Accounts

	2024 ₦'000	2023 ₦'000
13. Accruals and other payables		
Accruals (13.1)	872,807	816,310
Other payables (13.2.)	<u>700,350</u>	<u>636,662</u>
	<u>1,573,157</u>	<u>1,452,972</u>
	=====	=====
13.1 Accruals		
Unearned income from share swap (13.1.1)	625,391	625,391
Accrued income	62,072	62,072
Accrued AGM expenses	5,446	4,620
SEC Regulatory fee	5,239	5,325
Interest received in advance	41,348	28,094
Deferred income on bond	130,310	87,807
Audit and other professional fees	<u>3,001</u>	<u>3,001</u>
	<u>872,807</u>	<u>816,310</u>
	=====	=====
13.1.1 This represents the excess of the amount earned on the swap transaction over the cost during the year. As at the time of this report, the shares involved in the swap deal had not been re-purchased.		
13.2 Other payables		
Sundry customers	9,236	34,511
Management fees	105,878	101,744
Trusteeship fee	2,500	2,500
Rating agency fee	11,936	10,511
Withholding tax	16,694	16,694
Caution deposit	33,305	24,140
Unclaimed dividend payable	488,804	414,979
Sundry payables	21,409	21,409
Custodian fees	<u>10,588</u>	<u>10,174</u>
	<u>700,350</u>	<u>636,662</u>
	=====	=====

Trusteeship and rating agency fees computed at rates specified in accordance with the Trust Deed provisions were made in these financial statements as follows:

Management fee	1% of net assets
Trustee fee	₦2,500,000 minimum
Rating agency fee	₦2,500,000
Registrars fee	on transaction basis
Custodian fees	0.10% of net assets

Sundry payables refer to amounts payable in respect of land use charge, retention on elevator for Sinari Daranijo and withholding tax on valuation.

2024 Annual Reports & Accounts

	2024 ₦'000	2023 ₦'000
14. Unit holders equity		
<i>Units offered for subscription:</i>		
970,873,787 units at ₦51.50 each	50,000,000	50,000,000
	=====	=====
<i>Units issued and fully paid up</i>		
188,127,066 units at ₦50 each (nominal value)	9,406,353	9,406,353
	=====	=====
<p>On 19 August, 2008, the Fund offered 970,873,787 units of ₦50.00 each for subscription. Out of this offer, applications were received for 250,019,781 units. The Fund subsequently issued 250,019,781 units of ₦50 each at ₦51.50 each as these were fully subscribed for and paid for by their subscribers. The share premium on the units sold were used to offset the initial public offer expenses.</p>		
15. Retained earnings		
At the beginning	828,273	567,211
Dividend paid	(592,600)	(395,067)
Transfer from income statement	1,045,134	656,129
	1,280,807	828,273
	=====	=====
16. Cashflow reconciliation		
i) Operating profit before working capital changes		
Net income before tax	1,045,134	676,808
Depreciation	23,381	21,787
	1,068,515	698,595
	=====	=====
ii) Working capital changes		
(Increase)/decrease in receivables and other assets	1,821	4,122
Net increase/(decrease) in other liabilities and provisions	79,382	153,593
Net increase in accruals and other payables	120,185	74,435
Net increase/(decrease) in rent received in advance (non-current)	675	(17,131)
<i>Net cash flow from operating activities</i>	202,063	215,019
	=====	=====

17. Related party transactions

During 2024 financial year, there was no related party transaction recorded in the company.

Management fees

Management fees payable for the year ended 31 December 2024 in respect of this service is calculated at 1% of the net asset value of the Fund. This has been calculated to be ₦105,878,000 represents 8% per annum of the gross income for the year.

18. **Going concern**

The financial statements are prepared on the basis of accounting policies applicable to going concern.

19. **Contingent Liabilities**

The fund manager is of the opinion that there are no known contingent liabilities as at the end of the year.

20. **Approval of Financial Statements**

These financial statements were approved by the Investment Committee of the company on 25 March, 2025.

OTHER NATIONAL DISCLOSURES

UH REAL ESTATE INVESTMENT TRUST
(formerly)
UNION HOMES REAL ESTATE INVESTMENT TRUST

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2024

	2024		2023	
	₦'000	%	₦'000	%
Gross earnings	1,277,776		884,278	
<i>Deduct:</i>				
Administrative overheads and payments for other services in Nigeria	<u>(91,251)</u>		<u>(83,939)</u>	
Value added	<u>1,186,525</u>	100	<u>800,339</u>	100
	=====	=====	=====	=====
Applied as follows:				
Fund manager's remuneration	105,878	9	101,744	13
Government as taxes	12,139	1	20,679	3
Retained earnings for future				
Expansion, distribution and maintenance of assets				
Depreciation	23,374	2	21,787	2
Net income after taxation	<u>1,045,134</u>	<u>88</u>	<u>656,129</u>	<u>82</u>
Value added	<u>1,186,525</u>	100	<u>800,339</u>	100
	=====	=====	=====	=====

2024 Annual Reports & Accounts

UH REAL ESTATE INVESTMENT TRUST (formerly) UNION HOMES REAL ESTATE INVESTMENT TRUST FIVE YEAR FINANCIAL SUMMARY

	2024 N'000	2023 N'000	2022 N'000	2021 N'000	2020 N'000
Cash and cash equivalents	2,088,470	1,362,909	535,940	738,356	148,731
Other assets	5,658	5,925	5,289	6,177	6,721
Trade and other receivables	103,452	101,364	106,122	99,110	64,819
Investment properties	9,968,727	10,039,084	9,820,059	9,932,059	9,932,059
Property, plant & equipment	56,219	50,860	57,056	47,050	31,602
Financial assets held to maturity	405,210	414,818	978,535	534,827	813,101
	<u>12,627,736</u>	<u>11,974,960</u>	<u>11,503,001</u>	<u>11,357,579</u>	<u>10,997,033</u>
Liabilities					
Rent received in advance	367,419	287,362	150,900	206,588	195,006
Accruals and other payables	<u>1,573,157</u>	<u>1,452,972</u>	<u>1,378,537</u>	<u>1,248,953</u>	<u>943,156</u>
	<u>1,940,576</u>	<u>1,740,334</u>	<u>1,529,437</u>	<u>1,455,541</u>	<u>1,138,162</u>
Equity					
Unit holders' equity	9,406,353	9,406,353	9,406,353	9,406,353	9,406,353
Retained earnings	<u>1,280,807</u>	<u>828,273</u>	<u>567,211</u>	<u>495,685</u>	<u>452,518</u>
	<u>10,687,160</u>	<u>10,234,626</u>	<u>9,973,564</u>	<u>9,902,038</u>	<u>9,858,871</u>
	<u>12,627,736</u>	<u>11,974,960</u>	<u>11,503,001</u>	<u>11,357,579</u>	<u>10,997,033</u>
Profit and loss					
Investment income	<u>1,277,776</u>	<u>884,278</u>	<u>659,909</u>	<u>576,083</u>	<u>558,259</u>
Profit before taxation	1,057,273	676,808	439,747	397,855	379,160
Taxation	<u>(12,139)</u>	<u>(20,679)</u>	<u>(8,898)</u>	<u>(4,772)</u>	<u>(2,002)</u>
Profit after taxation	<u>1,045,134</u>	<u>656,129</u>	<u>430,849</u>	<u>393,083</u>	<u>377,158</u>
Per share information					
Basic earnings per share (N)	5.56	3.49	2.29	2.09	2.01
Net assets per share (N)	<u>56.82</u>	<u>54.40</u>	<u>53.02</u>	<u>52.63</u>	<u>52.41</u>

Notes

[illegible]