



IKEJA HOTEL PLC

(RC. 10845)

...Service par Excellence

84, Opebi Road, Ikeja,
P.M.B. 80148, Victoria Island, Lagos State, Nigeria.
E-mail: info@ikejahotelplc.com Website www.ikejahotelplc.com
Tel: 01-2701060. 01-4480887.

**Unaudited Group Accounts
For The Period Ended 31 March, 2018**

IKEJA HOTEL PLC IS THE OWNER OF SHERATON LAGOS HOTEL, IKEJA

DIRECTORS: Chief Anthony Idigbe, SAN (Chairman), Mr. Abatcha Bulama, Mr. Ufuoma Ibru, Mr. Toke Alex-Ibru,
Mr. Kunle Aluko, Dr. Alex Thomopoulos, Mrs. Fadeke Alamutu, Mr. Waheed Olagunju

IKEJA HOTEL PLC

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Certification of Financial Statements

In compliance with Section 60(2) of the Investment and Securities Act, 2007, we have reviewed the Unaudited Financial Statements of Ikeja Hotel Plc for the first quarter ended 31 March 2018.

The Financial Statement, based on our knowledge, does not contain any untrue statement of a material fact or omit to state a material fact and is not misleading with respect to the period covered by the report.

The Financial Statements, and other financial information included therein, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the period presented in the financial statements.

We are responsible for designing the internal controls and procedures surrounding the financial reporting process and assessing these controls in accordance with Section 60(2) of the Investment and Securities Act, 2007 and have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within the entity. The controls, which are properly prepared, have been operating effectively in the period of intended reliance.

Based on the foregoing, we, the undersigned, hereby certify that to the best of our knowledge and belief, the information contained in the financial statements of Ikeja Hotel Plc for the first quarter ended 31 March 2018 are true, correct and up to date.

Theophilus E. Netufe
Chief Operating Officer
26 April 26, 2018

Zacchaeus O. Adeyemo
Finance Manager
26 April 2018

IKEJA HOTEL PLC (RC 10845) Unaudited Interim Financial Statements

IKEJA HOTEL PLC

ACCOUNTING POLICIES AND OTHER DISCLOSURES FOR THE FIRST QUARTER ENDED 31 MARCH 2018

1. The Group

1.1 The reporting entity

1.1.1 The Group

The group comprise Ikeja Hotel Plc, and its subsidiary - Hans Gremlin Limited, a special purpose vehicle which holds 51% of the ordinary shares in Capital Hotels Plc and IHL Services Limited with 100% shareholdings.

The registered office of the company is at 84, Opebi Road, Ikeja, Lagos, Nigeria.

1.2 Principal activities

The principal activities of the group are operation of hotels and restaurants, apartment letting, recreational facilities, night clubs and a business centre, advisory and consultancy services to undertakes advisory management on all type of businesses.

2. Accounting Policies and Methods

2.1 These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

The preparation of the Consolidated Financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the consolidated financial statements. The areas involving a higher degree of judgement or complexity or areas where assumptions or estimates are significant to the financial statements as disclosed below:

2.2 Functional and presentation currency

The consolidated financial statements are presented in naira, which is the group's functional and presentational currency. The consolidated financial statements are presented in the currency of the primary economic environment in which the group operates (its functional currency). For the purpose of the consolidated financial statements, the consolidated results and financial position are expressed in naira, which is the functional currency of the group and the presentational currency for the financial statements.

2.3 Going concern status

The consolidated financial statements have been prepared on a going concern basis, which assumes that the entity will be able to meet its financial obligations as at when they fall due. There are no significant financial obligations that will impact on the entity's resources which will affect the going concern of the entity. Management is satisfied that the entity has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the consolidated financial statements.

2.4

Statement of Compliance

The financial statements have been prepared in accordance with Interim Financial Reporting (IAS 34) under the International Financial Reporting Standards.

2.5 Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 March, 2018.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using the same accounting policies.

All inter-group balances, transactions, dividends, unrealised gains on transactions within the Group are eliminated on consolidation. Unrealised losses resulting from inter-group transactions are eliminated, but only to the extent that there is no evidence of impairment.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

2.6 Critical accounting estimates and judgement

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a. Asset useful lives and residual values:

Property, plant and equipment are depreciated over their useful lives, taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the assets and projected disposal values.

b. Taxes

i Uncertainties exist with respect to the amount and timing of future taxable income. Given the complexities of existing contractual agreement, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The Company establishes provisions based on reasonable estimates.

ii Deferred taxes are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c. Provisions/contingencies

Provisions are liabilities of uncertain timing and are recognised when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount that has been reliably estimated. Provisions are not recognised 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. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

d. Impairment of financial assets

In assessing collective impairment, the group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in income statement and reflected in an allowance account against receivables. Interest on the impaired asset where applicable continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through income statement.

e. Retirement benefit obligation

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using various assumptions that may differ from actual developments in future. The assumptions used include the discount rate, future salary increases, mortality rates and future pension increases. Changes in these assumptions will impact the carrying amount of the pension obligation. The Group determines the appropriate discount rate at each reporting date. In determining the appropriate discount rate, management considers the interest rates of corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the expected term of the related pension obligation.

f. Non-current assets held for sale

On retirement of items of property, plant and equipment (usually operational motor vehicles) from operations, they are fair-valued and reclassified to a non-current-assets-held-for-sale account at the lower of their NBVs and fair-value less cost to sell with any differences arising thereon taken to profit or loss. Since there are no active markets dealing in second-hand vehicles, the Group exercises judgment in placing realistic values to the assets classified as held-for-sale by reference to the circumstances of previous disposals taking cognizance of physical conditions, vehicle brands, age, economic realities etc. These valuations are usually carried out by an assets disposal committee comprising the head of materials management, head of administration, head of internal audit, head of finance and the service engineer. The gross value of these assets are usually material and future results could be affected where actual proceeds differ materially from the valuations.

g. Allowances on trade receivables

The debtor's age analysis is evaluated on a regular basis. Allowance for doubtful accounts is based on a periodic review of all outstanding amount, where significant doubt about collectibility exists, including an analysis of historical bad debts, customers creditworthiness, current economic trends and changes in customers payment terms. Debtors balances are provided for based on the criteria mentioned above. Bad debts are written off when identified as uncollectible and are included in other operating expenses.

h. Inventory provisions

The inventory provision is based on average loss rates of inventory in recent months. The provision makes use of inventory counts performed which is considered to be representative of all inventory items held.

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

a) Investments in subsidiaries

The consolidated financial statements incorporates the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control.

Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

Control is usually present when an entity has:

- power over more than one-half of the voting rights of the other entity;
- power to govern the financial and operating policies of the other entity;
- power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
- power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date that control ceases. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (transactions with owners).

In its separate accounts, the Company accounts for its investment in subsidiaries at cost.

Inter-company transactions, balances and unrealised gains on transactions between companies within the Group are eliminated on consolidation. Unrealised losses are eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Consistent accounting policies are used throughout the Group for consolidation.

b) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. The investment in an associate is initially recognized at cost in the separate financial statements, however in its consolidated financial statements; it is recognized at cost and adjusted for in the Group's share of changes in the net assets of the investee after the date of acquisition, and for any impairment in value. If the Group's share of losses of an associate exceeds its interest in the associate, the group discontinues recognizing its share of further losses.

c) Investments in joint ventures

A joint venture is an entity over which the Group has joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The investment in a joint venture is initially recognized at cost and adjusted for in the Group's share of the changes in the net assets of the joint venture after the date of acquisition, and for any impairment in value. If the Group's share of losses of a joint venture exceeds its interest in the joint venture, the company discontinues recognizing its share of further losses.

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d) Investments in special purpose entities (SPEs)

SPEs are entities that are created to accomplish a narrow and well-defined objective. The financial statements of the SPE is included in the consolidated financial statements where on the substance of the relationship with the Group and the SPE's risk and reward, the Group concludes that it controls the SPE.

e) Business combinations

Business combinations are accounted for using the acquisition method. The consideration for acquisition is measured at the fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in order to obtain control of the acquiree (at the date of exchange). Costs incurred in connection with the acquisition are recognised in profit or loss as incurred. Where a business combination is achieved in stages, previously held interests in the acquiree are remeasured to fair value at the acquisition date (date the Group obtains control) and the resulting gain or loss, is recognised in profit or loss. Adjustments are made to fair values to bring the accounting policies of acquired businesses into alignment with those of the Group. The costs of integrating and reorganising acquired businesses are charged to the post acquisition profit or loss. If the initial accounting is incomplete at the reporting date, provisional amounts are recorded. These amounts are subsequently adjusted during the measurement period, or additional assets or liabilities are recognised when new information about its existence is obtained during this period. Non-measurement period adjustments to contingent consideration(s) classified as equity are not remeasured. Non-measurement period adjustments to other contingent considerations are remeasured at fair value with changes in fair value recognised in profit or loss. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

f) Goodwill

Goodwill on acquisitions comprises the excess of the aggregate of the fair value of the consideration transferred, the fair value of any previously held interests, and the recognised value of the non-controlling interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

g) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The executive committee of the group has been identified as the chief operating decision makers and are responsible for assessing the financial performance and position of the group, and make strategic decisions.

h) Intangible assets

- Intangible assets acquired separately

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of the intangible asset unless such lives are indefinite. These charges are included in other expenses in profit or loss. Intangible assets with an indefinite useful life are tested for impairment annually. Other intangible assets are amortised from the date they are available for use. The useful lives is as follows:

- Computer Software - 10 years

Amortisation periods and methods are reviewed annually and adjusted if appropriate.

- Intangible assets acquired separately

Intangible assets acquired separately are shown at historical cost less accumulated amortisation and impairment losses.

- Intangible assets generated internally

Expenditures on research or on the research phase of an internal project are recognised as an expense when incurred. The intangible assets arising from the development phase of an internal project are recognised if, and only if, the following conditions apply:

it is technically feasible to complete the asset for use by the Group

If no intangible asset can be recognised based on the above, then development costs are recognised in profit and loss in the period in which they are incurred.

i) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing component parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognises the replaced part, and recognises the new part with its own associated useful life and depreciation. Likewise, when a major inspection is performed, its costs is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

j) Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

k) Derecognition of property, plant and equipment

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statement in the year the asset is derecognised.

l) Depreciation of property, plant and equipment

Depreciation of property, plant and equipment is calculated over the depreciable amount which is the cost of an asset or other amount substituted for cost, less its residual value. Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Class of assets	%
Freehold land	NIL
Building	5
Hotel equipment	20
Office equipment	10
Computer equipment	33 ¹ / ₃
Motor vehicles	33 ¹ / ₃

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Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

Land and assets under construction (work in progress) are not depreciated.

m) Derecognition

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, these are included in the income statement as operating income.

When revalued assets are sold, the amounts included in the revaluation surplus are transferred to retained earnings.

n) Reclassifications

When the use of a property changes from owner-occupier to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognized in income statement to the extent that it reverses a previous impairment loss on the specific property, with any remaining recognized in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognized immediately in income statement.

3.1 Financial Instruments

The Group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument.

The Group classifies its financial assets and liabilities in the following categories:

- Financial assets at fair value through profit or loss;
- Loans and receivables;
- Held-to-maturity investments;
- Available-for-sale financial assets;
- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Financial instruments are recognised initially at fair value plus transactions costs that are directly attributable to the acquisition or issue of the financial instrument, except for financial assets at fair value through profit or loss, which are initially measured at fair value, excluding transaction costs (which is recognised in profit or loss).

Equity instruments for which fair value is not determinable, are measured at cost and are classified as available-for-sale financial assets.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

3.2 Available-for-sale financial assets

Available-for-sale financial assets comprise equity investments. Subsequent to initial recognition, available-for-sale financial assets are stated at fair value. Movements in fair values are taken directly to equity, with the exception of impairment losses and foreign exchange gains or losses which are recognised in profit or loss. Fair values are based on prices quoted in an active market if such a market is available. If an active market is not available, the Group establishes the fair value of financial instruments by using a valuation technique, usually discounted cash flow analysis. When an investment is disposed of, any cumulative gains and losses previously recognised in equity are recognised in profit or loss. Dividends are recognised in profit or loss when the right to receive payments is established.

3.3 Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Financial assets at fair value through profit and loss comprise derivative financial instruments, namely interest rate swaps and forward exchange contracts. Subsequent to initial recognition, financial assets at fair value through profit and loss are stated at fair value. Movements in fair values are recognised in profit or loss, unless they relate to derivatives designated and effective as hedging instruments, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship. The Group designates certain derivatives as hedging instruments in fair value hedges of recognised assets and liabilities and firm commitments, and in cash flow hedges of highly probable forecast transactions and foreign currency risks relating to firm commitments. The effective portion of fluctuations in the fair value of interest rate swaps used to hedge interest rate risk and that qualify as fair value hedges are recognised together with finance costs. The ineffective portion of the gain or loss is recognised in other expenses or other income. Fluctuations in the fair value of forward exchange contracts used to hedge currency risk of future cash flows, and the fair value of foreign currency monetary items on the statement of financial position, are recognised directly in other expenses or other income. This policy has been adopted as the relationship between the forward exchange contracts and the item being hedged does not meet certain conditions in order to qualify as a hedging relationship.

3.4 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprise trade and other receivables.

3.5 Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity, other than:

- those that the Group upon initial recognition designates as at fair value through profit or loss;
- those that the Group designates as available for sale; and
- those that meet the definition of loans and receivables.

Interests on held-to-maturity investments are included in the income statement and are reported as 'Interest and similar income'. In the case of an impairment, it is been reported as a deduction from the carrying value of the investment and recognised in the income statement as 'Net gains/(losses) on investment securities'.

3.6 Recognition and measurement

Regular-way purchases and sales of financial assets are recognized on trade-date - the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognized at 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. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

Financial assets are derecognized when the rights to receive cash flows from them have expired or where they have been transferred and the Group has also transferred substantially all risks and rewards of ownership.

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Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method.

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 the income statement in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established. Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognized in other comprehensive income are included in the income statement as net realised gains on financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established. Both are included in the investment income line.

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges.

The classification is determined by management at initial recognition and depends on the purpose for which the investments were acquired.

3.7 Reclassifications

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

3.8 Impairment of financial assets

a) Financial assets carried at amortised cost

The Group assesses at each end of the reporting period whether there is objective evidence that a financial asset or Group of financial assets is impaired. A financial asset or Group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have 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. Objective evidence that a financial asset or Group of assets is impaired includes observable data that comes to the attention of the Group about the following events:

- . Significant financial difficulty of the issuer or debtor;
- . A breach of contract, such as a default or delinquency in payments;
- . It becoming probable that the issuer or debtor will enter bankruptcy or other financial reorganisation;
- . The disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flow from a Group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the Group:

- i) adverse changes in the payment status of issuers or debtors in the Group; or
- ii) national or local economic conditions that correlate with defaults on the asset of the Group

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it 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 a collective assessment of impairment.

b) Assets classified as available for sale

The Group assesses at each date of the statement of financial position whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is an objective evidence of impairment resulting in the recognition of an impairment loss. In this respect, a decline of 20% or more is regarded as significant, and a period of 12 months or longer is considered to be prolonged. If any such quantitative evidence exists for available-for-sale financial assets, the asset is considered for impairment, taking qualitative evidence into account.

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 the income statement on equity instruments) are not reversed through the income statement. 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 and loss, the impairment loss is reversed through the income statement.

3.9 Financial liabilities

The Group's financial liabilities at statement of financial position date include 'Borrowings' and payables (excluding VAT and employee related payables). These financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are included in current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

a) Interest bearing borrowings

Borrowings, inclusive of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised costs using the effective interest rate method; any difference between proceeds and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

b) Offsetting financial instruments

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

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c) Cash and cash equivalents

Cash equivalents comprise short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. An investment with a maturity of three months or less is normally classified as being short-term. Bank overdrafts are shown within borrowing in current liabilities.

d) Non-derivative financial liabilities

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expires. Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

e) Equity instruments

Equity instruments issued by the Group are recorded at the value of proceeds received, net of costs directly attributable to the issue of the instruments. Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

Where the Group purchases its equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Group's equity holders. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to the Group's equity holders, net of any directly attributable incremental transaction costs and the related income tax effects.

3.10 Impairment of non-financial assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease.

3.10.1 Reversals

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.11 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

3.13 Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method.

3.14 Bank overdrafts and interest-bearing borrowings

Bank overdrafts and interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. 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 through the expected life of the financial liability.

3.15 Employee benefits

3.15.1 Defined contribution plans

In accordance with the provisions of the amended Pension Reform Act, 2014 the Company has instituted a Contributory Pension Scheme for its employees, where both the employees and the company contribute 8% and 10% of the employee total emoluments. The company's contribution under the scheme is charged to the profit and loss while employee contributions are funded through payroll deductions.

Obligations for contributions to the defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees. Contributions to a defined contribution plan that is due more than twelve months after the end of the period in which the employees render the service are discounted to their present value.

Payments to defined contribution plans are recognised as an expense as they fall due. Any contributions outstanding at the year end are included as an accrual in the statement of financial position.

3.15.2 Defined benefit plan

The terms of the defined benefit pension plan define the amount that employees will receive on retirement. These amounts are dependent on factors such as age, years of service and compensation, and are determined independently of the contributions payable or the investments of the scheme. The defined benefit liability recognised on the statement of financial position is the difference between the present value of the defined benefit obligations and the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. Actuarial gains and losses are recognised in full in the year in which they occur in other comprehensive income

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Past service cost is recognised immediately to the extent that the benefits are already vested, or is amortised on a straight-line basis over the average period until the benefits become vested. When a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are re-measured using current actuarial assumptions and the resultant gain or loss is recognised in the income statement during the period in which the curtailment occurs.

The surplus or deficit on the entity's defined benefit plan is recognised in full in the statement of financial position. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

3.15.3 Termination benefits

Termination benefits are recognised as an expense when the Company is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

3.15.4 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.16 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized 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.

3.17 Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Future operating losses are not provided for.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Owner representative to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Owner's representative include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

3.19 Revenue recognition

Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of the transfers of risks and rewards varies depending on the individual terms of the contract of sale. When two or more revenue generating activities or deliverables are sold under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair values of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

The Group engages in operation of hotels and the provision of catering services.

3.19.1 Sale of service

Revenue comprises sales and services to external customers (excluding VAT and other sales taxes). Consideration received from customers is only recorded as revenue to the extent that the Group has performed its contractual obligations in respect of that consideration.

Hotel and restaurant revenues are recognized when the rooms are occupied and the services are rendered. Deferred revenue consisting of deposits paid in advance is recognized as revenue when the services are rendered for hotels and restaurants. Revenues under management contracts are recognized based upon the attainment of certain financial results, primarily revenue and operating earnings, in each contract as defined.

Full revenue is recognised (usually one night's room charge plus tax) on customers deposit made on room reservation in which reservation was not cancelled within the allotted cancellation period/policy; while 40% of customers' deposit is recognised as revenue on banquet booking in which the reservation was not cancelled two weeks to the date of the event.

3.20 Investment return

Investment return comprises of dividend, interest and rent receivable, movement in amortized cost on debt securities and other loan and receivables, realized gains and losses, and unrealized gains and losses on fair value assets. Dividends on ordinary shares are appropriated from revenue reserve in the period they are approved by the Group's Shareholders.

3.21 Dividend

3.21.1 Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividend are declared.

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3.21.2 Unclaimed dividend

Unclaimed dividends are amounts payable to shareholders in respect of dividend previously declared by the Group, which have remained unclaimed by the shareholders. In compliance with Section 385 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria, unclaimed dividends after twelve years are transferred to retained earnings.

3.22 Taxation

Income tax for the period is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods. Income tax for the period is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

3.22.1 Deferred tax

Deferred tax is the future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities shown on the statement of financial position. Deferred tax assets and liabilities are not recognised if they arise in the following situations: the initial recognition of goodwill; or the initial recognition of assets and liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of recovery or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

The Group does not recognise deferred tax liabilities, or deferred tax assets, on temporary differences associated with investments in subsidiaries, joint ventures and associates where the parent company is able to control the timing of the reversal of the temporary differences and it is not considered probable that the temporary differences will reverse in the foreseeable future. It is the Group's policy to reinvest undistributed profits arising in group companies.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and liabilities are offset where the entity has a legal enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

3.23 Finance income and finance costs

3.23.1 Finance income

Finance income comprises interest income on funds invested, dividend income, gains on the disposal of available-for-sale financial assets, changes in the fair value of financial assets at fair value through profit or loss, and gains on hedging instruments that are recognized in profit or loss. Interest income is recognized as it accrues in consolidated income statement using the effective interest method.

3.23.2 Finance costs

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, dividends on preference shares classified as liabilities, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognized on financial assets, and losses on hedging instruments that are recognized in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.

3.24 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the number of shares outstanding during the year.

Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shareholders adjusted for the bonus shares issued.

3.25 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects and costs directly attributable to the issue of the instruments.

4 Risk Management Framework

The Board of Directors at the apex exercise and assume ultimate authority and responsibility for the corporate risk management.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. Ikeja Hotel Plc, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Capital Management Policies, Objectives and Approach

The following capital management objectives, policies and approach to managing the risks which affect its capital position are adopted by the Group.

- To maintain the required level of financial stability thereby providing a degree of security to stakeholders.
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders.
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets.
- To align the profile of assets and liabilities taking account of risks inherent in the business.
- To maintain financial strength to support new business growth and to satisfy the requirements of the contributors, regulators and stakeholders

Ikeja Hotel Plc's operations are also subject to regulatory requirements within Nigeria where it operates.

Approach to capital management

The Group seeks to optimise the structure and sources of capital to ensure that it consistently maximises returns to the shareholders and customers.

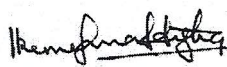
The Group's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital level on a regular basis.

The Group's primary source of capital used is equity shareholders' funds.


Consolidated Statement of Financial Position
As at 31 March, 2018

For The Period Ending 30 June, 2018	Notes	The Group		The Company	
		31-Mar-18 6-Months	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
Non-Current Assets					
Property, plant and equipment	1	6,119,769	6,230,648	3,903,849	3,976,575
Investment Property	1.1	4,630,087	4,630,087	-	-
Capital Work in Progress	2	6,332,137	6,320,396	4,123,582	4,111,841
Intangible Asset	3	5,978,718	5,982,181	9,679	10,184
Investment in Subsidiaries	27	-	-	4,440,919	4,440,919
Investments in Joint Venture	28	315,023	315,023	798,722	798,722
Loans to Related Party	13	6,388,194	6,151,565	6,228,459	6,151,565
Due from Related Party	14	117,444	113,939	488,833	485,328
Total Non-Current Assets		29,881,372	29,743,840	19,994,043	19,975,135
Current Assets					
Inventories	12	936,845	1,051,658	176,552	266,695
Trade and Other Receivables	10	1,483,134	1,162,538	775,168	671,750
Other Assets	11	850,818	967,588	850,818	722,715
Cash and Cash Equivalents	15	5,476,132	4,366,578	1,499,342	955,338
Total Current Assets		8,746,929	7,548,361	3,301,880	2,616,497
Total Assets		38,628,301	37,292,201	23,295,922	22,591,632
Equity and Reserves					
Share Capital	24.2	1,039,398	1,039,398	1,039,398	1,039,398
Share Premium	25	1,381,072	1,381,072	1,381,072	1,381,072
Retained Earnings	26	7,088,287	6,864,083	5,110,824	5,005,439
Revaluation Reserve	26.1	4,135,571	4,135,571	-	-
Equity attributable to equity holders of Parent		13,644,328	13,420,124	7,531,294	7,425,909
Non-Controlling interest	26.2	5,581,120	5,509,575	-	-
		19,225,448	18,929,699	7,531,294	7,425,909
Liabilities					
Non-Current Liabilities					
Due to Related Parties	20	5,782,024	5,613,550	7,290,018	7,151,694
Retirement Benefits Obligation	23	2,472,384	2,532,920	1,673,722	1,636,723
Deferred Tax	22.2	926,690	926,690	228,628	228,628
Non-Total Current Liabilities		9,181,098	9,073,160	9,192,368	9,017,045
Current Liabilities					
Trade and Other Payables	18	4,832,000	3,666,839	1,418,848	1,113,698
Deferred Income	17	4,903,847	4,978,414	4,866,022	4,781,753
Deposit for Shares	19	93,600	93,600	93,600	93,600
Dividend Payable	21	83,099	109,845	16,691	16,691
Current Tax Payable	22.1	309,210	440,644	177,100	142,935
Total Current Liabilities		10,221,755	9,289,341	6,572,261	6,148,677
Total Liabilities		19,402,853	18,362,502	15,764,629	15,165,722
Total Equity and Liabilities		38,628,301	37,292,201	23,295,922	22,591,632

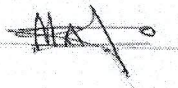
These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 27 April 2018:



Chief Anthony Idigbe, SAN
Chairman
FRC/2014/NBA/00000010414



Mr. Abatcha Bulama
Director
FRC/2014/ICAN/00000006535



Mr. Theophilus Eniola Netufo
Chief Operating Officer
FRC/2013/ICAN/00000004776

The accompanying notes form an integral part of these financial statements

IKEJA HOTEL PLC (RC 10845) Unaudited Interim Financial Statements

Consolidated Statement of Comprehensive Income For The Period Ended 31 March, 2018

	Note	The Group		The Company	
		31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
Revenue	4	3,090,861	2,788,850	1,684,865	1,519,846
Cost of Sales	5	(2,073,932)	(1,881,864)	(1,055,405)	(993,643)
Gross Profit		1,016,929	906,987	629,460	526,203
Other Income	6	19,448	15,337	18,319	13,618
Sales and Distribution Expenses	8	(125,090)	(119,010)	(57,739)	(51,425)
Administrative and General Expenses	7	(398,736)	(441,781)	(250,832)	(316,277)
Operating Profit		512,551	361,532	339,208	172,119
Finance costs	9	(184,230)	(181,059)	(184,230)	(181,059)
Share of loss in investment accounted for using equity		-	-	-	-
Profit/(Loss) before Taxation		328,320	180,473	154,978	(8,940)
Current Tax Expense	22.3	(104,116)	(60,551)	(49,593)	(12,554)
Profit/(Loss) for the for the period		224,204	119,922	105,385	(21,494)
Profit/(Loss) attributable to:					
Equity holders of the parent		224,204	40,468	-	-
Non-controlling interest		-	79,454	-	-
		224,204	119,922	105,385	(21,494)
Other Comprehensive Income/(Loss) for the Period					
Re-measurment gain on defined benefit plans		-	-	-	27,607
Total Comprehensive Income/(Loss) for the Period		224,204	119,922	105,385	6,113
Earnings per share (kobo)		11	6	5	-

Ikeja Hotel Plc
Statement of Changes in Equity as at 31 March, 2018

	The Group				The Company					
	Issued Capital =N='000	6 Months Premium =N='000	Retained Earnings =N='000	Revaluation Reserve =N='000	Non-controlling interest =N='000	Total equity =N='000	Issued Capital =N='000	Share Premium =N='000	Retained Earnings =N='000	Total =N='000
Attributable to the Equity Holders of the Company										
Balance as at 31 December 2017	1,039,398	1,381,072	6,864,083	4,135,571	5,509,575	18,929,700	1,039,398	1,381,072	5,005,439	7,425,909
Changes in Equity for the Period										
Profit for the period			224,204			224,204			105,385	105,385
Total Comprehensive Income for the Period									105,385	105,385
At 31 March, 2018	1,039,398	1,381,072	7,088,287	4,135,571	5,509,575	19,153,904	1,039,398	1,381,072	5,110,824	7,531,294
At 31 December, 2016	1,039,398	1,381,072	2,605,833		2,539,359	7,565,662	1,039,398	1,381,072	4,888,328	7,308,798
Changes in Equity for the period										
Profit for the period			136,643		480,680	617,323			135,650	135,650
Effect of reversal on impairment of subsidiary as at 31/12/2017			4,140,147		2,024,917	6,165,064				
Re-measurement gain/(loss) on defined benefit plans			(18,539)			(18,539)			(18,539)	(18,539)
Revaluation reserve in subsidiary					464,619	4,600,190				
Total Comprehensive Income for the Period									117,111	117,111
At 31 December, 2017	1,039,398	1,381,072	6,864,084	4,135,571	5,509,575	18,929,700	1,039,398	1,381,072	5,005,439	7,425,909

IKEJA HOTEL PLC (RC 10845) Unaudited Interim Financial Statements
**Consolidated Statement of Cash Flows
For the Period Ended 31 March, 2018**

	Notes	The Group		The Company	
		31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
Profit/(Loss) for the Period		224,204	119,922	105,385	(8,940)
Adjustment for:					
Depreciation of PPE	1	170,222	199,953	82,539	108,224
Amortisation of Intangible Asset	3	3,463	506	506	506
Finance Costs	9	184,230	181,059	184,230	181,059
Post Employment Benefits			37,606	-	102,973
Income tax expense	22	104,116	60,551	49,593	-
		686,236	599,597	422,253	383,822
Changes in:					
Inventories	12	114,813	10,208	90,143	7,043
Trade and Other Receivables	10	(320,596)	(166,758)	(103,418)	(231,202)
Other Assets	11	116,770	(54,274)	(128,103)	(76,419)
Loans and Receivables	13	(236,629)	-	(76,895)	(111,050)
Due from Related Parties	14	(3,505)	-	(3,505)	(567)
Due from Unquoted Investment		-	(111,050)	-	-
Trade and Other Payables	18	1,165,161	(567)	305,150	(18,150)
Post Employment Benefits		253,982	44,717	23,524	-
Deferred Income	17	(74,567)	130,062	84,270	111,050
Due to Related Parties	20	(99,292)	917,146	138,324	109,804
		1,602,374	1,369,080	751,743	174,331
Cash generated from Operating Activities		1,602,374	1,369,080	751,743	174,331
Income tax paid	22	(235,550)	(39,973)	-	-
Net Cash from Operating Activities		1,366,824	1,329,107	751,743	174,331
Cash Flows from Investing Activities					
Purchase of PPE	1	(61,298)	(134,638)	(11,768)	(85,885)
Additions/Utilization of Capital Work in Progress	2	(11,741)	(182,986)	(11,741)	(182,986)
Net Cash Flows used in Investing Activities		(73,039)	(317,624)	(23,509)	(268,871)
Cash Flows from Financing Activities					
Finance Costs	9	(184,230)	(181,059)	(184,230)	(181,059)
Net Cash Flows used in Financing Activities		(184,230)	(181,059)	(184,230)	(181,059)
Net Increase in Cash and Cash Equivalent		1,109,555	830,424	544,004	(275,598)
Cash and Cash Equivalents at the beginning of the year		4,366,578	3,520,114	955,338	284,149
Cash and Cash Equivalent at the end of the period		5,476,132	4,350,538	1,499,342	8,550

**SCHEDULE OF PROPERTY PLANT AND EQUIPMENT
For the Period Ended 31 March, 2018**

The Group

	Land	Buildings	Hotel Equipment	Office Equipment	Computer Equipment	Motor Vehicles	Total
1 Cost/Valuation							
At 1st January	3,440,742	1,687,497	4,638,208	3,511,026	222,942	290,844	13,791,259
Addition	-	-	3,838	54,088	3,372	-	61,298
Adjustment	-	-	(1,955)	-	-	-	(1,955)
Retirement	-	-	-	-	-	-	-
At 31 March, 2018	3,440,742	1,687,497	4,640,091	3,565,114	226,313	290,844	13,850,602
Depreciation and impairment							
At 1st January	-	785,080	3,544,259	2,771,201	186,094	273,976	7,560,610
Adjustment	-	-	-	-	-	-	-
Retirement	-	11,179	98,339	52,853	4,935	2,916	170,222
Depreciation charge during the year	-	796,259	3,642,598	2,824,055	191,029	276,892	7,730,832
At 31 March, 2018	-	-	-	-	-	-	-
Carrying Amount							
At 31 March, 2018	3,440,742	891,239	997,493	741,059	35,285	13,952	6,119,769
At 31 December, 2017	3,440,742	902,418	1,093,949	739,824	36,848	16,868	6,230,648

The Company

	Land	Buildings	Hotel Equipment	Office Equipment	Computer Equipment	Motor Vehicles	Total
1 Cost/Valuation							
At 1st January	3,084,350	765,570	2,403,610	79,031	222,942	54,425	6,609,928
Addition	-	-	2,840	5,556	3,372	-	11,768
Adjustment	-	-	(1,955)	-	-	-	(1,955)
Retirement	-	-	-	-	-	-	-
At 31 March, 2018	3,084,350	765,570	2,404,495	84,587	226,313	54,425	6,619,741
Depreciation and impairment							
At 1st January	-	489,009	1,846,481	62,505	186,094	49,264	2,633,353
Adjustment	-	-	-	-	-	-	-
Retirement	-	7,528	67,861	923	4,935	1,292	82,539
Depreciation charge during the year	-	496,537	1,914,342	63,428	191,029	50,556	2,715,892
At 31 March, 2018	-	-	-	-	-	-	-
Carrying Amount							
At 31 March, 2018	3,084,350	269,034	490,153	21,158	35,285	3,869	3,903,849
At 31 December, 2017	3,084,350	276,562	557,129	16,526	36,848	5,161	3,976,575

1.1 Investment Property of N4,630,087,000 disclosed in the group financial statements relates to its subsidiary, Charles Hampton & Company Limited in which it has 89.9% interest. The Property comprise land held for future development. Investment property are measured using fair value model.

NOTES TO THE ACCOUNTS

Note	The Group		The Company	
	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
Capital Work in Progress				
2 At 1 January	6,320,396	4,361,258	4,111,841	3,744,111
Additions in the period	11,741	1,959,138	11,741	367,730
Total	6,332,137	6,320,396	4,123,582	4,111,841
This represents on going renovation works at the hotel				
Intangible Asset				
3.1 Computer Software Cost/Valuation	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
At 1 January	69,253	46,080	20,236	20,236
Additions for the year	-	23,173	-	-
Total	69,253	69,253	20,236	20,236
3.2 Amortization				
At 1 January	20,974	14,048	10,052	8,028
Charge for the period	3,463	6,926	506	2,024
Total	24,437	20,974	10,558	10,052
3.3 Goodwill	N'000	N'000	N'000	N'000
Goodwill arises from the revised consolidation of the financial statements of Capital Hotel Plc and Ikeja Hotel Plc for the year ended 31 December 2017 in accordance with IAS 27 and IFRS 10				
	5,933,902	5,933,902	-	-
3.4 Carrying Value as at 31 December 2017	5,978,718	5,982,181	9,679	10,184
4 Revenue	31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
Rooms	2,542,539	2,241,219	1,136,542	972,215
Food & Beverage	468,787	411,892	468,787	411,892
Minor Operating Departments	16,291	16,023	16,291	16,023
Miscellaneous Income	63,245	119,715	63,245	119,715
Total	3,090,861	2,788,850	1,684,865	1,519,846
5 Cost of Sales	31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
Rooms	1,278,754	1,108,527	260,227	220,306
Food & Beverage	365,776	337,058	365,776	337,058
Minor Operating Departments	10,620	9,909	10,620	9,909
Cost of Sales - Head Office	8,704	1,736	8,704	1,736
Administrative & General	177,889	200,079	177,889	200,079
Info & Telecom System	36,699	37,903	36,699	37,903
Property Operations & Maintenance	77,601	73,083	77,601	73,083
Rental Income Expenses	-	-	-	-
Utilities	117,889	113,567	117,889	113,567
Total	2,073,932	1,881,864	1,055,405	993,643
6 Other Income	31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
Interest Earned on Demand Deposit	103	-	103	-
Sales of Scrap	18,216	6,132	18,216	6,132
Exchange Gain on Translation of Currency	1,128	9,205	-	7,486
	19,448	15,337	18,319	13,618
7 Administrative Expenses	31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
	398,736	441,781	250,832	316,277

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	31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
8 Sales & Marketing Expenses	<u>125,090</u>	<u>119,010</u>	<u>57,739</u>	<u>51,425</u>
9 Finance Income and Finance Cost	31-Mar-18 N'000	31-Mar-17 N'000	31-Mar-18 N'000	31-Mar-17 N'000
Interest Expense	184,230	181,059	184,230	181,059
Net Finance Cost	<u>184,230</u>	<u>181,059</u>	<u>184,230</u>	<u>181,059</u>
Interest expense represents charges paid and/or payable on loans.				
10 Trade and Other Receivables	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
Allowances for Impairment Losses	1,615,677	1,291,448	779,942	733,074
Net Trade Receivables	<u>(146,289)</u>	<u>(183,895)</u>	<u>(18,519)</u>	<u>(79,373)</u>
Advances to Employees	1,469,388	1,107,553	761,422	653,701
	13,745	54,984	13,745	18,048
	<u>1,483,134</u>	<u>1,162,538</u>	<u>775,168</u>	<u>671,750</u>
11 Other Assets	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
Prepayments	210,007	146,833	210,007	77,865
Withholding tax receivables	546,257	578,638	546,257	464,636
Advances to Suppliers	94,553	153,585	94,553	91,682
Sheraton Brand Hotels	-	88,531	-	88,531
Impairment	-	(52,621)	-	-
Total	<u>850,818</u>	<u>967,588</u>	<u>850,818</u>	<u>722,715</u>
11.1 Analysis of Prepayments	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
P/PM PC's Software	40,060	19,294	40,060	19,294
Prepaid Rent	1,672	3,638	1,672	3,638
Prepaid Maintenance	2,025	4,673	2,025	4,673
Prepaid Dues and Subscription	5,636	4,052	5,636	4,052
Prepaid Insurance	30,407	36,716	30,407	36,683
Prepaid - Others	130,207	78,460	130,207	9,525
Total	<u>210,007</u>	<u>146,833</u>	<u>210,007</u>	<u>77,865</u>
12 Inventories	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
Food & Beverage	107,729	135,533	51,576	70,090
Maintenance Supplies	197,820	154,656	53,489	88,979
Operating Supplies	59,107	194,025	54,715	94,390
General Stores	38,456	33,711	16,764	13,236
Inventory WIP	533,733	533,733	-	-
Total	<u>936,845</u>	<u>1,051,658</u>	<u>176,552</u>	<u>266,695</u>
13 Loans and Receivables	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
At 1 January	6,151,565	5,914,936	5,914,936	5,914,936
Interest Capitalised	181,307	181,307	181,307	181,307
Exchange Revaluation	55,322	55,322	55,322	55,322
	<u>6,388,194</u>	<u>6,151,565</u>	<u>6,228,459</u>	<u>6,151,565</u>
Loans and receivable relate to receivable from The Tourist Company of Nig. Plc				
14 Due from Related Party	31-Mar-18 N'000	31-Dec-17 N'000	31-Mar-18 N'000	31-Dec-17 N'000
Hans-Gremlin (Nigera) Ltd.	-	-	484,578	484,578
AVI	31,122	31,122	-	-
GMI & Co	113,188	113,188	-	-
Felfan	59,074	59,074	-	-
Charles Hampton	112,726	109,221	4,255	750
	316,110	312,605	488,833	485,328
Impairment allowance	<u>(198,666)</u>	<u>(198,666)</u>		
Total	<u>117,444</u>	<u>113,939</u>	<u>488,833</u>	<u>485,328</u>
14.1 Impairment allowance represent balance in Charles Hampton, AVI, and Felfan without movement for the past three years				

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	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
15 Cash & Cash Equivalents				
Cash in Hand	2,031	1,466	417	418
Cash at Bank	2,149,425	1,606,895	1,498,925	924,480
	<u>2,151,457</u>	<u>1,608,362</u>	<u>1,499,342</u>	<u>924,899</u>
Provision for Doubtful Balance	-	-	-	-
	<u>2,151,457</u>	<u>1,608,362</u>	<u>1,499,342</u>	<u>924,899</u>
Allowance for doubtful balance	-	-	-	-
Time Deposits	3,324,676	2,758,216	-	30,439
As per Statement of Financial position	<u>5,476,132</u>	<u>4,366,578</u>	<u>1,499,342</u>	<u>955,338</u>
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
17 Deferred Income	<u>4,903,847</u>	<u>4,978,414</u>	<u>4,866,022</u>	<u>4,781,753</u>
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
18 Trade and Other Payables				
Trade Payables	885,494	1,003,682	492,469	124,942
CHP Hospitality and Tourism Limited	625,254	625,254	-	-
Accrued Expenses (Note 18.1)	2,605,954	612,460	817,785	327,898
Due to Starwood Eame License and Service Company	7,983	18,120	7,983	23,908
VAT Payables	289,085	302,061	26,953	17,460
Advance Deposit	1,634	526,719	1,634	281,544
Service Charge Distribution	162,931	41,638	56,853	41,638
Other Credit Balances	253,665	536,905	15,171	296,309
Total	<u>4,832,000</u>	<u>3,666,839</u>	<u>1,418,848</u>	<u>1,113,698</u>
	N'000	N'000	N'000	N'000
18.1 Accrued Expenses Analyses				
Expenses	2,477,495	484,041	689,326	199,479
Electricity	-	22,204	-	22,204
Other liabilities-SLH (Note 18.1a)	70,992	70,992	70,992	70,992
Professional Fees	17,599	8,071	17,599	8,071
LASG Consumption Tax	27,962	23,805	27,962	23,805
Unclaimed Property - SLH - Guests. Deposits	-	110	-	110
Charitable	(37)	(8)	(37)	(8)
Sheraton Corporation - Reservation	11,943	3,245	11,943	3,245
Total	<u>2,605,954</u>	<u>612,460</u>	<u>817,785</u>	<u>327,898</u>
18.1a Other liabilities-SLH are various prior years Audit Adjustment not effected by Sheraton Lagos Hotel in the Accounts				
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
19 Deposit for Shares	<u>93,600</u>	<u>93,600</u>	<u>93,600</u>	<u>93,600</u>
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
20 Due to Related Parties				
Capital Hotel Plc/Abuja Sheraton Hotel	-	-	955,201	984,351
Federal Palace/Sun	4,187	4,093	4,187	4,093
IHL Services limited	-	-	552,794	553,794
Alurum investment Ltd/Omamo Trust Limited	2,848,344	2,765,293	2,848,344	2,765,292
Minabo Limited	1,665,934	1,617,411	1,665,934	1,617,411
AVI Services/G. M. Ibru	1,263,559	1,226,753	1,263,559	1,226,753
	<u>5,782,024</u>	<u>5,613,550</u>	<u>7,290,018</u>	<u>7,151,694</u>
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
21 Dividend				
At 1, January	83,099	115,070	16,691	16,691
Dividend paid	-	(5,225)	-	-
	<u>83,099</u>	<u>109,845</u>	<u>16,691</u>	<u>16,691</u>
	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
22 Taxation				
22.1 Current Tax Payable				
As at January	440,644	534,578	142,935	187,407
Prior year Adjustment	-	14,995	-	15,000
Provision during the period	104,116	144,655	49,593	139,866
Payment during the period	(235,550)	(253,584)	-	(199,339)
At 31 March 2018	<u>309,210</u>	<u>440,644</u>	<u>177,100</u>	<u>142,935</u>

The charge for taxation has been computed in accordance with the provisions of the companies income tax Act CAP C21, LFN 2004 and the Education Tax, CAP E4, LFN 2004 as amended

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	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
22.2 Deferred Taxation				
At 1 January	926,690	937,326	228,628	239,264
Write back/Charge in the period	-	(10,636)	-	(10,636)
At 31 March 2018	<u>926,690</u>	<u>926,690</u>	<u>228,628</u>	<u>228,628</u>
22.3 Current Tax Charges				
Income Tax	97,609	341,008	46,493	125,483
Education Tax	6,507	28,751	3,100	14,383
	104,116	369,759	49,593	139,866
Deferred Taxation	-	(10,636)	-	(10,636)
Income Statement	<u>104,116</u>	<u>359,123</u>	<u>49,593</u>	<u>129,230</u>
Tax Payable/Deferred Tax				
<i>The Company has adopted the IFRS 12 - Income Taxes, Deferred Taxation which is computed using the liability method</i>				
23 Employee Benefits	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
At 1, January	2,532,920	2,389,499	1,636,723	1,334,987
Current Service Cost & Interest	-	510,372	-	326,010
Payment in the period	(97,535)	(342,677)	-	-
Provision for the year	36,999	-	36,999	-
Curtailed/settlement	-	(89,756)	-	(89,756)
Adjustments	-	46,943	-	46,943
Re-measurement gains/losses	-	18,539	-	18,539
At 31 March 2018	<u>2,472,384</u>	<u>2,532,920</u>	<u>1,673,722</u>	<u>1,636,723</u>
24 Share Capital	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
24.1 Authorised	N'000	N'000	N'000	N'000
4,000,000,000 Ordinary shares of 50 kobo each	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>
24.2 Issued and fully paid	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
At 1 January	1,039,398	1,039,398	1,039,398	1,039,398
At 31 March 2018	<u>1,039,398</u>	<u>1,039,398</u>	<u>1,039,398</u>	<u>1,039,398</u>
Number: 2,078,796,396 ordinary shares of 50 kobo each				
25 Share Premium Reserve	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
At 1 January	1,381,072	1,381,072	1,381,072	1,381,072
At 31 March 2018	<u>1,381,072</u>	<u>1,381,072</u>	<u>1,381,072</u>	<u>1,381,072</u>
26 Retained Earnings	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
At 1 January	6,864,083	2,605,832	5,005,439	4,888,328
Transfer from profit & loss account	224,204	136,643	105,385	135,650
Re-measurement gain/(loss) on defined benefit plan	-	(18,539)	-	(18,539)
Effect of reversal on impairment of subsidiary as at 31/12/2017	-	4,140,147	-	-
At 31 March 2018	<u>7,088,287</u>	<u>6,864,083</u>	<u>5,110,824</u>	<u>5,005,439</u>
26.1 Revaluation reserve	N'000	N'000	N'000	N'000
This represent revaluation surplus arising from the fair value measurement of an investment property in the Company's subsidiary Charles Hampton	<u>4,135,571</u>	<u>4,135,571</u>	-	-
26.2 Non-controlling interest	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
At 1 January	5,509,575	2,539,359	-	-
Effect of reversal of impairment in subsidiary	-	2,024,917	-	-
Share of profit	71,545	480,680	-	-
Share of revaluation reserve in subsidiary	-	464,619	-	-
At 31 March 2018	<u>5,581,120</u>	<u>5,509,575</u>	-	-
27 Investment in Subsidiary	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
Hans Gremin Nigeria Limited	-	-	4,440,919	4,440,919
The Ikeja Hotel Plc holds 75% of the issued share of Hans Gremin Nigeria Limited a special purpose vehicle used in acquiring 51% of the issued share capital of Capital Hotels Plc.				

	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
28 Investment Accounted for the Equity Method				
At 1 January	315,023	576,344	798,722	798,722
Share of loss of joint venture	-	(261,321)	-	-
At 31 March 2018	<u>315,023</u>	<u>315,023</u>	<u>798,722</u>	<u>798,722</u>

Investment relates to 273,529,085 units of stock in The Tourist Company of Nigeria Plc.

	31-Mar-18	31-Dec-17	31-Mar-18	31-Dec-17
	N'000	N'000	N'000	N'000
28.1 Long Term Investment				
At 1 January	-	26,496	-	-
Impaired during the year	-	(26,496)	-	-
At 31 March 2018	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**STATEMENT OF COMPREHENSIVE INCOME FORECAST
FOR THE PERIOD ENDING 30 JUNE 2018**

	6 Months =N='000
Turnover	6,490,809
Cost of Sales	<u>(4,147,864)</u>
Gross Operating Profit	2,342,945
Operating Expenses	<u>(1,008,757)</u>
Result from Operating Activities	1,334,187
Net finance costs	<u>(368,461)</u>
Profit/(Loss) before Taxation	965,727
Current Tax Expense	<u>(260,290)</u>
Profit for the period	<u><u>705,436</u></u>

**UNAUDITED GROUP RESULT FOR THE FIRST QUARTER
ENDED 31 MARCH, 2018**

	03/31/2018 =N='000	03/31/2017 =N='000	% Change
TURNOVER	3,090,861	2,788,850	10.8
OPERATING PROFIT	512,551	361,532	41.8
FINANCE CHARGES	(184,230)	(181,059)	1.8
PROFIT/(LOSS) BEFORE TAX	328,320	180,473	81.9
TAXATION	(104,116)	(60,551)	71.9
PROFIT/(LOSS) AFTER TAX	224,204	119,922	87.0