



IKEJA HOTEL PLC (RC. 10845)

...Service par Excellence

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IKEJA HOTEL PLC (RC 10845)

Unaudited Group Financial Statements For The Third Quarter Ended 30 September, 2021

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 Olugbemi, Mr. Theo Eniola Netufo, MD/CEO

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IKEJA HOTEL PLC

Certification of Financial Statements

In compliance with Section 60(2) of the Investment and Securities Act, 2007, we have reviewed the unaudited interim Financial Statements of the Group for the third quarter ended 30 September 2021.

The Financial Statements, based on our knowledge, does not contain any untrue statement of any material fact or contain any misleading information in any respect.

The Financial Statements, and other financial information included therein, present fairly in all material respects the consolidated statement of financial position, consolidated statement of financial performance and consolidated statement of cash flows of the Group for the third quarter ended 30 September 2021.

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 during the year under reference.

Based on the foregoing, we, the undersigned, hereby certify that to the best of our knowledge and belief, the information contained in the unaudited interim Financial Statements of Ikeja Hotel Plc for the third quarter ended 30 September 2021 are complete, accurate and free from any material misstatement.



Theophilus E. Netufo
Managing Director/CEO
FRC/2013/ICAN/00000004775

21 October 2021



Zacchaeus O. Adeyemo
Controller of Finance
FRC/2018/ICAN/00000017858


21 October 2021


IKEJA HOTEL PLC


Consolidated Statement of Financial Position As at 30 September 2021


	Notes	The Group		The Company	
		30-Sep-21 N'000	31-Dec-20 N'000	30-Sep-21 N'000	31-Dec-20 N'000
Non-Current Assets					
Property, Plant and Equipment	7	17,857,046	18,340,772	7,284,712	7,604,307
Investment Property	8	-	-	-	-
Capital Work in Progress	9	5,121,823	4,844,322	66,713	65,390
Intangible Asset	10	4,502,371	4,552,218	14,138	12,664
Investment in Subsidiaries	35	-	-	4,444,518	4,444,518
Investment Accounted for Using the Equity Method	36	-	-	798,722	798,722
Deferred Tax Asset	29.2	-	-	237,841	237,841
Total Non-Current Assets		27,481,240	27,737,312	12,846,644	13,163,442
Current Assets					
Inventories	20	164,617	131,303	121,070	99,404
Trade Receivables	18	780,377	631,077	503,082	410,265
Other Assets	19	719,263	586,475	517,858	415,554
Loan to Related Party	21	8,712,059	8,415,239	8,712,059	8,415,239
Amount Due from Related Parties	22	-	-	734,233	729,874
Cash and Cash Equivalents	23	4,490,403	4,051,117	3,511,919	2,482,941
Total Current Assets		14,866,719	13,815,211	14,100,221	12,553,277
Total Assets		42,347,960	41,552,523	26,946,865	25,716,720
Equity and Reserves					
Share Capital	31.2	1,039,398	1,039,398	1,039,398	1,039,398
Share Premium	32	1,381,072	1,381,072	1,381,072	1,381,072
Retained Earnings	33	6,220,220	6,268,548	5,221,071	5,178,389
Revaluation Reserve		3,121,799	3,121,799	-	-
Equity Attributable to Equity Holders of Parent		11,762,489	11,810,818	7,641,541	7,598,860
Non-Controlling interest	34	8,857,872	9,004,796	-	-
		20,620,362	20,815,614	7,641,541	7,598,860
Liabilities					
Non-Current Liabilities					
Due to Related Parties	27	8,595,111	7,887,557	9,889,165	9,190,034
Retirement Benefits Obligation	30.	1,054,022	982,175	688,922	684,132
Deferred Tax	29.2	857,429	857,429	-	-
Non-Total Current Liabilities		10,506,562	9,727,161	10,578,087	9,874,166
Current Liabilities					
Trade and Other Payables	25	3,155,895	3,331,703	1,262,642	1,076,894
Deferred Income	24	7,524,236	7,221,868	7,342,247	7,045,427
Deposit for Shares	26	93,600	93,600	93,600	93,600
Dividend Payable	28	105,960	105,960	16,691	16,691
Current Tax Payable	29.1	341,345	256,618	12,059	11,082
Total Current Liabilities		11,221,036	11,009,749	8,727,238	8,243,694
Total Liabilities		21,727,598	20,736,910	19,305,325	18,117,860
Total Equity and Liabilities		42,347,960	41,552,523	26,946,865	25,716,720

These consolidated financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 21 October 2021.


Chief Anthony Idigbe, *S4N*
Chairman
FRC/2014/NBA/00000010414


Alhaji Abatcha Bulama
Director
FRC/2014/ICAN/000006535


Mr. Theophilus E. Netufo
Managing Director/CEO
FRC/2013/ICAN/00000004775


Mr. Zacchaeus O. Adeyemo
Controller of Finance
FRC/2018/ICAN/00000017858

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

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Consolidated Statement of Comprehensive Income For The Period Ended 30 September 2021

	Note	The Group Nine Months Ended		The Company Nine Months Ended	
		30-Sep-21 N'000	30-Sep-20 N'000	30-Sep-21 N'000	30-Sep-20 N'000
Revenue	11	6,595,303	3,602,833	4,209,003	2,172,525
Cost of Sales	12	(4,967,130)	(3,531,268)	(2,746,580)	(1,980,752)
Gross Profit		1,628,173	71,565	1,462,423	191,773
Other Income	13	189,559	332,938	107,682	327,533
Sales and Distribution Expenses	16	(213,848)	(133,385)	(157,758)	(92,482)
Administrative and General Expenses	15	(982,849)	(1,031,544)	(636,457)	(599,135)
Operating Profit/(Loss)		621,034	(760,426)	775,889	(172,311)
Finance Income	14	10,446	23,577	10,110	35,686
Finance Costs	17	(722,895)	(652,374)	(723,231)	(652,374)
Profit/(Loss) Before Taxation		(91,415)	(1,389,224)	62,768	(788,999)
Current Tax (Expense)/Income	29.3	(103,836)	(10,863)	(20,086)	(10,863)
Profit/(Loss) After Taxation		(195,251)	(1,400,087)	42,682	(799,861)
Profit/(Loss) Attributable to:					
Equity Holders of the Parent		(48,327)	(1,029,448)	42,682	(799,861)
Non-Controlling Interest		(146,924)	(370,639)	-	-
		(195,251)	(1,400,087)	42,682	(799,861)
Other Comprehensive Income/(Loss) for the Period:					
Re-measurement Gain/(Loss of Defined Benefit Plan)		-	-	-	-
Total Comprehensive Income/(Loss) for the Period					
Attributable to:					
Equity Holders of the Parent		(48,327)	(1,029,448)	42,682	(799,861)
Non-Controlling Interest		(146,924)	(370,639)	-	-
Total Comprehensive Income/(Loss) for the Period:		(195,251)	(1,400,087)	42,682	(799,861)
Basic Earnings Per Share (kobo)		(9)	(67)	2	(38)

**Consolidated Statement of Comprehensive Income
For The Third Quarter Ended 30 September 2021**

	The Group		The Company	
	Three Months Ended		Three Months Ended	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
	N'000	N'000	N'000	N'000
Revenue	2,835,793	697,160	1,777,539	402,816
Cost of Sales	(2,083,100)	(803,033)	(1,054,419)	(432,098)
Gross Profit	752,694	(105,873)	723,121	(29,282)
Other Income	(3,823)	92,764	(14,935)	68,645
Sales and Distribution Expenses	(68,006)	(9,073)	(68,006)	(9,073)
Administrative and General Expenses	(310,434)	(353,856)	(223,833)	(186,195)
Operating Profit/(Loss)	370,432	(376,038)	416,347	(155,905)
Finance Income	1,208	(16,094)	1,208	35,686
Finance Costs	(243,371)	(220,037)	(243,371)	(220,037)
Share of Loss in Investment Accounted for Using Equity	-	-	-	-
Profit/(Loss) Before Taxation	128,268	(612,169)	174,184	(340,256)
Current Tax Expense	(94,124)	(2,014)	(13,701)	(2,014)
Profit for the Period	34,145	(614,183)	160,483	(342,270)
Profit Attributable to:				
Equity Holders of the Parent	112,159	(758,792)	160,483	(342,270)
Non-Controlling Interest	(78,014)	144,609	-	-
	34,145	(614,183)	160,483	(342,270)
Other Comprehensive Income/(Loss) for the Period	-	-	-	-
Total Comprehensive Income/(Loss) for the Period	34,145	(614,183)	160,483	(342,270)
Earnings Per Share (kobo)	2	(30)	8	(16)

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Statement of Changes in Equity as at 30 September 2021

Attributable to the Equity Holders of the Company	The Group						The Company			
	Issued	Share	Retained	Revaluation	Non-Controlling	Total	Issued	Share	Retained	Total
	Capital	Premium	Earnings	Reserve	Interest	Equity	Capital	Premium	Earnings	
=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000	=N='000
Balance as at 1 January 2021	1,039,398	1,381,072	6,268,548	3,121,799	9,004,796	20,815,614	1,039,398	1,381,072	5,178,389	7,598,860
Changes in Equity for the Period										
Profit/(Loss) for the Period			(48,327)		(146,924)	(195,251)	-	-	42,682	42,682
Final Dividend			-			-			-	-
Total Comprehensive Income/(Loss) for the Period			(48,327)	-	(146,924)	(195,251)			42,682	42,682
At 30 September 2021	1,039,398	1,381,072	6,220,221	3,121,799	8,857,872	20,620,363	1,039,398	1,381,072	5,221,071	7,641,542
Balance as at 1 January 2020	1,039,398	1,381,072	12,329,582	-	4,620,530	19,370,583	1,039,398	1,381,072	6,357,112	8,777,583
Changes in Equity for the Period										
Profit/(Loss) for the Period			(1,029,448)		(370,639)	(1,400,087)	-	-	(799,862)	(799,862)
Dividend Declared and Paid During the Period			(79,521)			(79,521)			(41,576)	(41,576)
			-			-			-	-
			-			-			-	-
Total Comprehensive Income/(Loss) for the Period			(1,108,969)	-	(370,639)	(1,479,608)	-	-	(841,438)	(841,438)
At 30 September 2020	1,039,398	1,381,072	11,220,614	-	4,249,891	17,890,975	1,039,398	1,381,072	5,515,675	7,936,145

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Consolidated Statement of Cash Flows For The Period Ended 30 September 2021

	Notes	The Group		The Company	
		30-Sep-21 N'000	30-Sep-20 N'000	30-Sep-21 N'000	30-Sep-20 N'000
Profit/(Loss) Before Tax		(91,415)	(1,389,224)	62,768	(788,999)
Adjustment for:					
Depreciation of PPE		533,113	631,284	354,341	371,458
Amortisation of Intangible Asset		49,847	21,417	2,224	1,743
Finance Costs		722,895	652,374	723,231	652,374
Dividend Received		-	-	-	(26,658)
Post employment benefit expense		26,225	-	19,946	-
Interest on placement with banks		(3,913)	-	(10,110)	-
Profit on disposal of PPE		(7,761)	-	(7,761)	-
Exchange (gain)/loss		(173,602)	(326,892)	(99,045)	(326,892)
		1,055,390	(411,040)	1,045,595	(116,973)
Changes in:					
Inventories	20	(33,314)	43,829	(21,666)	29,355
Trade and Other Receivables	18	(149,300)	648,130	(92,817)	706,567
Other Assets	19	(132,788)	259,553	(102,304)	34,664
Post Employment Benefits		71,847	102,703	5,790	53,073
Loans and Receivables	21	(296,820)	(238,970)	(296,820)	(238,970)
Due from Related Parties		-	-	(4,359)	82,118
Trade and Other Payables	25	(175,518)	8,193,511	185,748	(481,008)
Deferred Income	24	302,368	256,642	296,820	238,970
Due to Related Parties		752,841	679,159	720,731	580,555
		1,394,705	9,533,517	1,736,716	888,351
Cash generated from Operating Activities					
Income tax paid	29.1	(19,108)	(2,027)	(19,108)	(2,027)
Post Employment Benefits paid		(30,468)	-	(20,952)	-
Net Cash from Operating Activities		1,345,129	9,531,489	1,696,656	886,323
Cash Flows from Investing Activities					
Additions to Property Plant and Equipment	7	(49,387)	(9,235,693)	(34,741)	(75,979)
Additions to Intangible Assets		-	(28,150)	(3,698)	(9,000)
Additions to/Utilization of Capital Work in Progress	9	(277,501)	(265,300)	(1,323)	(36,273)
Interest on Placement with Banks		3,913	-	10,110	26,658
Proceed on Disposal of Property, Plant and Equipment		7,761	-	7,761	-
Net Cash Flows Used in Investing Activities		(315,214)	(9,529,143)	(21,891)	(94,593)
Cash Flows from Financing Activities					
Finance Costs		(712,146)	(635,644)	(723,231)	(652,374)
Payment to Related Party		-	-	(21,600)	(86,818)
Dividend Paid		(52,083)	(52,083)	-	(14,138)
Net Cash Flows used in Financing Activities		(764,230)	(687,728)	(744,831)	(753,331)
Net Increase in Cash and Cash Equivalent		265,685	(685,381)	929,933	38,399
Cash and Cash Equivalents at the Beginning of the Year		4,051,117	5,656,450	2,482,941	3,209,767
Effect of Foreign Exchange Rate Changes on the Balance of Cash Held in Foreign Currencies		173,602	326,892	99,045	326,892
Cash and Cash Equivalent at the End of the Period		4,490,404	5,297,960	3,511,919	3,575,058

**Notes to the Interim Financial Statements
For the Period Ended 30 September 2021**

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, Charles Hampton and IHL Services Limited with 100% shareholdings.

1.2 The Company

Ikeja Hotel Plc., formerly Properties Development Limited, was incorporated on 18 November, 1972. It owns the Sheraton Lagos Hotel, and is a core investor in Hans Gremlin Nigeria Limited (Owners of Capital Hotel Plc. It also has significant shareholding in the Tourist Company of Nigeria Plc. (Owners of Federal Palace Hotel & Casino, Lagos).

The Hotel was managed and operated by Starwood Eame License and Services Company BVBA up to June 2017 under an agreement dated 31 October 1980 and renewed 1 April 2008. Subsequently Marriot International took over the management of the Sheraton brand from June 2017 due to acquisition of Starwood Eame License and Services Company BVBA.

1.3 Corporate office

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

1.4 Principal activities

The principal activities of the group are operation of hotels and restaurants, apartment letting, recreational facilities, night clubs and business centre services, advisory and consultancy services.

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act Cap C.20, Laws of the Federation of Nigeria, 2004, the Financial Reporting Council of Nigeria Act, 2011.

2.1 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.

2.2 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.

2.3 Basis of consolidation

The interim consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 30 September 2021. 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.

3. Basis of measurement

The financial statements have been prepared under the historical cost basis except for the following:

- Investment properties measured at fair value.
- Financial assets classified as amortised cost measured at amortised cost.
- Financial assets designated at fair value through other comprehensive income measured at fair value through other comprehensive income.
- Financial assets designated at fair value through profit or loss measured at fair value through profit or loss.
- Financial liabilities including borrowings measured at fair value.
- defined benefit obligations measure at the discounted future value of all expected future obligations plus past service costs and actuarial loss less actuarial gains.
- Inventory measured at lower of cost and net realisable value.

4. 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:

4.1 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.

4.2 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.

4.3 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 can be 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.

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.

4.4 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL) in accordance with IFRS 9, Financial Instruments. The measurement of expected credit loss by the Group under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, management considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. Management considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low. The application of variables under this model involves estimates which require significant judgement by management.

4.5 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.

4.6 Investment property

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss. Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replacement components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

4.7 Impairment of inventory

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.

5. Standards and interpretations issued/amended but not yet effective.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

5.1 Amendments effective from annual periods beginning on or after 1 January 2020

The following standards have been issued or amended by IASB and become effective for annual periods beginning on or after 1 January 2020

Standard		
IFRS 3	Business Combination	01-Jan-20
IAS 1 & IAS 8	Definition of Material	01-Jan-20
IFRS 17	Insurance Contracts	01-Jan-21

5.2 Amendments to IFRS 3 (Business Combination)

IFRS 3 (Business Combinations) outlines the accounting when an acquirer obtains control of a business (e.g.) An acquisition or merger). In October 2018, after the post implementation review of IFRS 3, the IASB issued an amendment to IFRS 3 which centers majorly on the definition of a Business.

They include:

- That to be considered a business, an acquired set of activities and assets must include, at minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs.
- Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired.
- Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The effective date is on or after 1st January 2020. This amendment does not have any impact on the company.

5.3 Amendment to IAS 1 and IAS 8

In October 2018, the IASB issued the definition of 'material'. The amendments are intended to clarify, modify and ensure that the definition of 'material' is consistent across all IFRS. In IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors), the revised definition of 'material' is quoted below:

5.3 Amendment to IAS 1 and IAS 8 (continued)

"An information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make based on those financial statements, which provide financial information about a specific reporting entity".

The amendments laid emphasis on five (5) ways material information can be obscured. These include:

- If the language regarding a material item, transaction or other event is vague or unclear;
- If information regarding a material item, transaction or other event is scattered in different places in the financial statements;
- If dissimilar items, transactions or other events are inappropriately aggregated;
- If similar items, transactions or other events are inappropriately disaggregated; and
- If material information is hidden by immaterial information to the extent that it becomes unclear what information is material.

The amendments are effective for annual reporting periods beginning on or after 1st January 2020. The company has taken into consideration the new definition in the preparation of its annual account.

5.4 IFRS 17 - Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2021. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the company/group in anyway as the company/group and its subsidiary companies do not engage in insurance business.

6. Summary of significant accounting policies

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.

6.1 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.

6.2 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.

6.3 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.

6.4 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.

6.5 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 re-measured 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.

6.6 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.

6.6.1 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.

6.6.2 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 de-recognition 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.

6.6.3 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, furniture and fittings	10
Computer equipment	33 ¹ / ₃
Motor vehicles	33 ¹ / ₃

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.

6.7 Intangible assets

These comprise computer software and goodwill. Intangible assets excluding goodwill is stated at cost, less accumulated amortisation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount the intangible asset 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.

6.7.1 Amortisation of intangible assets

Intangible assets excluding goodwill is amortised on a straight-line basis over the estimated useful lives of the intangible asset. Amortisation charge is included in administrative expense in the profit or loss account. Intangible assets with an indefinite useful life are tested for impairment annually. 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.

The amortisation methods, useful lives and residual values of intangible assets are reviewed annually and adjusted if appropriate.

6.7.2 Intangible assets acquired separately

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

6.7.3 De-recognition of Intangible Assets

Intangible assets are derecognised at disposal date or at the date when it is permanently withdrawn from use without the ability to be disposed of. The difference between the carrying amount at the date of derecognition and any disposal proceed as applicable, is recognised in profit or loss.

6.7.4 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
- the Group has the intention of completing the asset for either use or resale
- the Group has the ability to either use or sell the asset
- it is possible to estimate how the asset will generate income
- the Group has adequate financial, technical and other resources to develop and use the asset; and
- the expenditure incurred to develop the asset is measurable.

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.

6.7.5 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. Impairment loss is recognized in the profit or loss account.

6.8 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. 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.

6.9 Non current assets held for sale

Items of property, plant and equipment (PPE) are classified as non current current assets held for sale when it is highly probable that the item of PPE is available for immediate sale in its present condition, management has committed to the sale and the sale is expected to be completed within one year from the date of classification. Non current assets held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

Items of PPE and intangible assets classified as held for sale are not depreciated or amortised. Impairment losses are recognised for any initial or subsequent write down of the asset to fair value less cost to sell. Gains are recognised on any subsequent increase in fair value less cost to sell, up to the cumulative impairment loss that has been recognised.

6.9.1 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.

6.10 Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity of another entity.

6.10.1 Financial assets

The Group adopts IFRS 9, Financial instruments in the classification of its financial assets. In accordance with IFRS 9, the classification of financial assets is based on the Group's business model for managing the financial assets and the contractual cash flows characteristics of the asset as follows:

Amortised cost: Financial assets are measured at amortised cost where:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Group's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.

Fair value through profit or loss : any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

Appropriate reclassifications are made to financial assets when the group changes its business model for managing a financial asset.

Financial assets presently held by the Group are trade receivables which are held at amortised costs.

6.10.2 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.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables 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.

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.

6.10.3 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.

6.10.4 Impairment of financial assets

Impairment of financial assets is based on the application of the expected credit loss model (ECL) in accordance with IFRS 9, Financial Instruments. The measurement of expected credit loss by the Group under IFRS 9 reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Group considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings. The Group considers the risk or probability that a credit loss occurs by considering the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the probability of a credit loss occurring is low.

Under IFRS 9, there are two approaches to the measurement of ECL as follows:

- a. General approach
- b. Simplified approach

6.10.4 Impairment of financial assets (continued)

Under the general approach considerations are given to whether there has been a significant increase in credit risks on the financial assets since initial recognition in which case an impairment loss for lifetime ECL is recognised. Otherwise, if at the reporting date management assesses that the credit risk on the financial asset has not increased significantly since initial recognition, impairment loss for 12 month ECL is recognised. Significant increase in credit risk is measured using the lifetime probability of default.

The simplified approach under the ECL model is based on a provision matrix and involves the following steps:

- Creating groups for trade receivables based on similar credit risks characteristics.
- Collection of historical loss rates data and determining the period of applicability of the data.
Determination of the expected loss rates for each of the groups of trade receivables created based on established periods for which receivables are past due.
- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.
- Determination of the expected credit losses

The Group applies the simplified approach in the calculation of impairment loss on trade receivables.

6.10.5 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.

6.10.6 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.

6.10.7 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.

6.10.8 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.

6.10.9 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.

6.10.10 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.

6.11 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.

6.12 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.

6.13 Trade payables

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

6.14 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.

6.15 Employee benefits

6.15.1 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.

6.15.2 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.

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.

6.15.2 Defined benefit plan (continued)

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.

6.15.3 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.

6.15.4 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.

6.16 Provisions, contingent liabilities and contingent assets

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.

The Group discloses a contingent liability when there is a possible obligation depending on whether some uncertain future event occurs or when there is a present obligation, but payment is not probable and the amount can not be estimated reliably.

The Group discloses a contingent asset where it is possible that an asset can arise from past events and the existence will be confirmed by the occurrence or non occurrence of one or more future events not wholly within the control of the entity.

6.17 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.

6.18 Revenue from contract with customers

The Group applies the 5 step model in recognising revenue from contract with customers in accordance with IFRS 15, Revenue from contract with customers which involves:

- a. Identifying the contract with a customers
- b. Identifying the performance obligation in the contract
- c. Determining the transaction price
- d. Allocating the transaction price to the performance obligation in the contract
- e. Recognising revenue when a performance obligation is satisfied by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service)

Revenue from a valid contract with a customer is recognised when the following conditions are met:

- a. The contract has been approved by the parties to the contract.
- b. The rights and obligations of the parties to the contract in relation to the goods and services to be transferred are identifiable.
- c. The payment terms for the goods and services to be transferred are identifiable.
- d. The contract has commercial substance.
- e. it is probable that the consideration to which the group is entitled to in exchange for the goods or services will be collected.

The Group's revenue comprises lodging services, food and beverages sales and other services incidental to lodging to third parties.

6.19 Leases

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

A contract is assessed to contain a lease if the following conditions are established:

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.
- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.
- The supplier does not have a substantive right to substitute the use of the asset throughout the period of use of the asset.

Where the Group is a lessee in the lease contract, the Group recognises a right of use asset and a lease liability at the inception of the contract. The right of use asset is measured using the cost model provided it:

- is not an investment property and the lessee fair values its investment properties.
- does not relate to a class of property, plant and equipment to which the lessee applies revaluation model, in which case all right-of-use assets relating to that class of property, plant and equipment can be revalued.

Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

Where the lease is for a term of 12 months or less and containing no purchase options or the underlying asset has a low value when new such as personal computers or small items of office furniture, the Group accounts for lease payments as an expenses on a straight line basis over the term of the lease except another systematic basis is more reflective of the economic benefits obtainable from utilisation of the leased asset.

The right of use asset and the lease liability are initially measured at the present value of the lease payments payable over the lease term by discounting with the implicit rate of the lease. Where the implicit rate can not be readily determined, the Group shall apply its incremental borrowing rate.

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Group has not entered into any lease contract where it is the lessor.

6.20 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.

6.21 Dividend distributions

Final dividend distributions to the company's shareholders are only recognised as a liability in the subsequent reporting period following when it has been approved by the shareholders at the Annual General Meeting.

6.22 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.

6.23 Related parties

The Group designates an entity or a person a related party where it has identified that:

- The entity and the Group are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Group or the entity is a joint venture or associate of another member of the Group.

6.23 Related parties (continued)

- The Group is controlled by the entity or person.
- The entity or the person has significant influence over the Group.
- The person is a key management personnel of the Group.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Group discloses transactions with related parties which includes the:

- The name of the related party.
- Nature of transaction with the related party.
- Amount of the transaction with the related party nature of transaction with the related party.
- Balance due from and to the related party at the end of the reporting period

The Group discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.24 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.

6.25 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 substantially 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 of 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

6.26 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.

6.27 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.

6.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors is the chief operating decision makers and is responsible for assessing the financial performance and position of the group, and make strategic decisions. The Group identifies and segregates reportable segments based on their geographical location. These are components of the Group operating within a particular operating environment that are subject to risks and returns that are different from components operating in another economic environment.

6.29 Finance income and finance costs

6.29.1 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.

6.29.2 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.

6.30 Dealing in Issuers' Shares Policy

In accordance with the Post-listing Rules of the Nigerian Stock Exchange, Ikeja Hotel PLC has in place a share dealing policy which regulates securities transactions by its Directors, Employees and other insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy is to be communicated periodically to derive compliance. In respect of the period ended 30 June 2020, the Directors of Ikeja Hotel PLC hereby confirm that:

A code of conduct regarding the securities transactions by all Directors was adopted by the Company. A specific enquiry of all Directors has been made during the reporting period and there is no incidence of non-compliance with the listing rules of the Nigerian Stock Exchange, and Ikeja Hotel PLC's code of conduct regarding securities transactions by Directors.

IKEJA HOTEL PLC

SCHEDULE OF PROPERTY PLANT AND EQUIPMENT For The Period Ended 30 September 2021 The Group

7 Cost/Valuation

	Land	Buildings	Hotel Equipment	Office Equipment	Computer Equipment	Motor Vehicles	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1st January 2021	12,509,150	5,765,814	5,363,845	3,921,419	426,436	295,454	28,282,118
Additions	-	-	12,371	14,646	22,371	-	49,387
Disposal	-	-	-	-	-	(27,435)	(27,435)
At 30 September 2021	12,509,150	5,765,814	5,376,216	3,936,065	448,807	268,019	28,304,070
At 1st January 2020	3,440,742	5,750,066	5,264,401	3,841,886	392,179	298,454	18,987,728
Additions during the year	-	15,748	99,444	88,491	34,257	3,250	241,190
Disposal during the year	-	-	-	(8,958)	-	(6,250)	(15,208)
Revaluation	9,068,408	-	-	-	-	-	9,068,408
At 31 December 2020	12,509,150	5,765,814	5,363,845	3,921,419	426,436	295,454	28,282,118
Depreciation and impairment							
At 1st January 2021	-	1,239,398	4,620,719	3,441,201	354,252	285,776	9,941,346
Depreciation Charge During the Period	-	188,894	184,335	108,183	48,015	3,687	533,113
Elimination on disposal	-	-	-	-	-	(27,435)	(27,435)
At 30 September 2021	-	1,428,292	4,805,054	3,549,384	402,267	262,028	10,447,024
At 1st January 2020	-	976,889	4,261,033	3,229,909	281,545	287,624	9,037,000
Depreciation charge during the year	-	262,509	359,686	220,250	72,707	4,402	919,554
Elimination on disposal	-	-	-	(8,958)	-	(6,250)	(15,208)
At 31 December 2020	-	1,239,398	4,620,719	3,441,201	354,252	285,776	9,941,346
Carrying Amount							
At 30 September 2021	12,509,150	4,337,522	571,162	386,681	46,540	5,991	17,857,046
At 31 December 2020	12,509,150	4,526,416	743,126	480,218	72,184	9,678	18,340,772

7.1 The Company

	Land	Buildings	Hotel Equipment	Office Equipment	Computer Equipment	Motor Vehicles	Total
Cost/Valuation							
At 1st January 2021	3,084,350	4,785,300	3,017,388	98,345	424,783	62,035	11,472,202
Addition	-	-	12,371	-	22,371	-	34,741
Disposal	-	-	-	-	-	(27,435)	(27,435)
At 30 September 2021	3,084,350	4,785,300	3,029,759	98,345	447,154	34,600	11,479,508
At 1st January 2020	3,084,350	4,785,300	2,953,218	96,263	390,527	62,035	11,371,693
Additions during the year	-	-	64,168	2,082	34,257	-	100,507
Disposal During the Year	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 31 December 2020	3,084,350	4,785,300	3,017,386	98,345	424,784	62,035	11,472,200
Depreciation and impairment							
At 1st January 2021	-	879,507	2,504,309	76,073	352,600	55,404	3,867,893
Depreciation Charge During the Period	-	172,644	128,049	2,484	48,015	3,150	354,341
Elimination on Disposal	-	-	-	-	-	(27,435)	(27,435)
At 30 September 2021	-	1,052,151	2,632,358	78,557	400,612	31,119	4,194,796
At 1st January 2020	-	649,197	2,245,314	70,710	279,893	51,204	3,296,318
Depreciation charge during the year	-	230,310	258,995	5,363	72,707	4,200	571,575
Elimination on disposal	-	-	-	-	-	-	-
At 31 December 2020	-	879,507	2,504,309	76,073	352,600	55,404	3,867,893
Carrying Amount							
At 30 September 2021	3,084,350	3,733,149	397,401	19,788	46,542	3,481	7,284,712
At 31 December 2020	3,084,350	3,905,793	513,077	22,272	72,184	6,631	7,604,307

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Notes to the Interim Financial Statements For The Period Ended 30 September 2021

Note	Three Months Ended				Nine Months Ended					
	The Group		The Company		The Group		The Company			
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20		
	N'000		N'000		N'000		N'000			
8	Investment Property									
	Charles Hampton Limited									
	Impairment of Investment in Charles Hampton Limited									
	-	4,630,087	-	-	-	(4,630,087)	-	-		
	-	-	-	-	-	-	-	-		
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20		
	N'000		N'000		N'000		N'000			
9	Capital Work in Progress									
	At 1 January									
	4,844,322	4,216,034	65,390	13,446	4,844,322	4,216,034	65,390	13,446		
	Additions during the period									
	277,501	628,288	12,491	51,944	277,501	628,288	12,491	51,944		
	Reclassification to Property, Plants & Equipments Impairment									
	-	-	(11,168)	-	-	-	(11,168)	-		
	-	-	-	-	-	-	-	-		
	Total	4,844,322	66,713	65,390	5,121,823	4,844,322	66,713	65,390		
	This represents on going renovation works at the hotel									
10	Intangible Asset									
10.1	Computer Software									
	Cost/Valuation									
	At 1 January									
	292,265	271,962	30,070	21,070	292,265	271,962	30,070	21,070		
	Additions for the year									
	-	20,303	3,698	9,000	-	20,303	3,698	9,000		
	Total	292,265	33,768	30,070	292,265	292,265	33,768	30,070		
	Amortization									
	At 1 January									
	192,715	105,247	17,406	14,933	192,715	105,247	17,406	14,933		
	Charge for the period									
	49,847	87,468	2,224	2,473	49,847	87,468	2,224	2,473		
	Total	192,715	19,630	17,406	242,562	192,715	19,630	17,406		
	49,703	99,550	14,138	12,664	49,703	99,550	14,138	12,664		
10.2	Goodwill									
	At 1 January									
	4,452,668	4,452,668	-	-	4,452,668	4,452,668	-	-		
	Impairment									
	-	-	-	-	-	-	-	-		
	4,452,668	4,452,668	14,138	12,664	4,452,668	4,452,668	14,138	12,664		
10.4	Carrying Value									
	4,502,371	4,552,218	14,138	12,664	4,502,371	4,552,218	14,138	12,664		
11	Revenue	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	
		N'000		N'000		N'000		N'000		
	Rooms	1,623,237	378,479	1,122,038	244,041	3,827,207	2,096,594	2,673,807	1,395,078	
	Food & Beverage	920,793	188,220	535,097	102,997	2,139,533	1,075,575	1,251,936	599,997	
	Minor Operating Departments	140,231	76,313	6,561	1,630	325,449	266,579	17,835	13,365	
	Miscellaneous Income	151,532	54,147	113,843	54,147	303,114	164,084	265,425	164,084	
	Total	2,835,793	697,160	1,777,539	402,816	6,595,303	3,602,833	4,209,003	2,172,525	
12	Cost of Sales	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	
		N'000		N'000		N'000		N'000		
	Rooms	182,638	90,783	78,866	67,288	592,741	571,036	364,162	413,288	
	Food & Beverage	565,201	139,060	336,821	82,797	1,291,946	885,414	788,893	523,777	
	Minor Operating Departments	25,474	3,441	20,325	1,263	0	38,186	33,987	15,215	
	Administrative & General	547,664	272,952	324,130	154,437	1,315,112	945,270	822,733	544,371	
	Info & Telecom System	85,029	54,126	42,522	29,828	185,455	192,244	91,825	93,926	
	Property Operations & Maintenance	263,408	71,611	126,755	34,682	562,345	297,705	261,339	143,707	
	Insurance	-	4,108	-	4,108	-	19,928	-	19,928	
	Utilities	413,686	166,953	125,000	57,696	1,019,530	581,486	383,640	226,541	
	Total	2,083,100	803,033	1,054,419	432,098	4,967,130	3,531,268	2,746,580	1,980,752	
13	Other Income	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	
		N'000		N'000		N'000		N'000		
		(3,823)	92,764	(14,935)	68,645	189,559	332,938	107,682	327,533	
14	Finance Income	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	
		N'000		N'000		N'000		N'000		
		1,208	(16,094)	1,208	35,686	10,446	23,577	10,110	35,686	
	The Group	The Group	The Company	The Company	The Group	The Group	The Company	The Company	The Company	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-20	
	N'000		N'000		N'000		N'000		N'000	

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15	Administrative Expenses	<u>310,433</u>	<u>353,856</u>	<u>223,833</u>	<u>186,195</u>	<u>982,849</u>	<u>1,031,544</u>	<u>636,457</u>	<u>599,135</u>
		30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
16	Sales & Marketing Expenses	<u>68,006</u>	<u>9,073</u>	<u>68,006</u>	<u>9,073</u>	<u>213,848</u>	<u>133,385</u>	<u>157,758</u>	<u>92,482</u>
17	Finance Cost	<u>243,371</u>	<u>220,037</u>	<u>243,371</u>	<u>220,037</u>	<u>722,895</u>	<u>652,374</u>	<u>723,231</u>	<u>652,374</u>
	Interest Expense	<u>243,371</u>	<u>220,037</u>	<u>243,371</u>	<u>220,037</u>	<u>722,895</u>	<u>652,374</u>	<u>723,231</u>	<u>652,374</u>
	Interest expense represents charges paid and/or payable on loans.								
18	Trade Receivables					<u>780,377</u>	<u>631,077</u>	<u>503,082</u>	<u>410,265</u>
	Trade Receivables					913,087	746,953	537,838	434,467
	Allowances for Impairment Losses					(132,709)	(115,876)	(34,754)	(24,202)
19	Other Assets					<u>719,263</u>	<u>586,475</u>	<u>517,858</u>	<u>415,554</u>
	Prepayments (Note: 19.1)					111,499	78,568	39,980	50,857
	Withholding tax receivables					549,303	360,262	419,416	348,829
	Advances to Suppliers					58,461	120,587	58,461	15,590
	Advances to Employees					-	27,058	-	278
	Total					<u>719,263</u>	<u>586,475</u>	<u>517,858</u>	<u>415,554</u>
						The Group	The Company		
19.1	Analysis of Prepayments					<u>111,498</u>	<u>78,568</u>	<u>39,980</u>	<u>50,857</u>
	P/PM PC's Software					-	9,099	-	9,099
	Prepaid Rent					4,167	2,569	4,167	2,569
	Prepaid Maintenance					2,357	15,541	2,357	-
	Prepaid Dues and Subscription					2,402	-	2,402	-
	Prepaid Insurance					30,692	7,088	9,479	7,088
	Supplies					-	5,541	-	-
	Staff benefits					16,145	34,323	16,145	30,434
	Prepaid - Others					55,735	4,407	5,429	1,667
	Total					<u>111,498</u>	<u>78,568</u>	<u>39,980</u>	<u>50,857</u>
20	Inventories					<u>164,617</u>	<u>131,303</u>	<u>121,070</u>	<u>99,404</u>
	Food and Beverage					164,617	53,745	121,070	21,846
	Maintenance supplies					-	-	-	-
	Operating supplies					-	77,558	-	77,558
	Inventory WIP					-	472,979	-	-
	Allowance for impairment					-	(472,979)	-	-
	Total					<u>164,617</u>	<u>131,303</u>	<u>121,070</u>	<u>99,404</u>
21	Loan to related party					<u>8,415,239</u>	<u>8,415,239</u>	<u>8,415,239</u>	<u>8,415,239</u>
	At 1 January					8,415,239	6,752,300	8,415,239	6,752,300
	Interest Capitalised					296,820	1,662,939	296,820	1,662,939
	Amount received					-	-	-	-
	Exchange Revaluation					-	-	-	-
	Total					<u>8,712,059</u>	<u>8,415,239</u>	<u>8,712,059</u>	<u>8,415,239</u>
	Loans and receivable relate to receivable from the Tourist Company of Nig. Plc								
22	Due from Related Party					<u>203,384</u>	<u>203,384</u>	<u>734,233</u>	<u>729,874</u>
	Hans-Gremlin (Nigera) Ltd.					-	-	477,685	476,932
	AVI					31,122	31,122	-	-
	GMI & Co					113,188	113,188	-	-
	Felfan					59,074	59,074	-	-
	Charles Hampton					-	-	256,548	252,942
	Impairment allowance (22.1)					(203,384)	(203,384)	-	-
	Total					<u>203,384</u>	<u>203,384</u>	<u>734,233</u>	<u>729,874</u>
22.1	Impairment allowance represent balances without movement for the past three years								
23	Cash & Cash Equivalents					<u>8,415,239</u>	<u>8,415,239</u>	<u>8,415,239</u>	<u>8,415,239</u>

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Cash in Hand	1,487	1,233	872	613
Cash at Bank	4,221,821	3,686,982	3,445,126	2,419,428
	4,223,308	3,688,215	3,445,999	2,420,041
Time Deposits	267,095	362,902	65,920	62,900
Total	4,490,403	4,051,117	3,511,919	2,482,941
	The Group		The Company	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
	N'000	N'000	N'000	N'000
24 Deferred Income	<u>7,524,236</u>	<u>7,221,868</u>	<u>7,342,247</u>	<u>7,045,427</u>
	30-Sep-21		30-Sep-21	
	N'000	N'000	N'000	N'000
25 Trade and Other Payables	<u>724,372</u>	<u>731,634</u>	<u>300,456</u>	<u>220,876</u>
Trade Payables	724,372	731,634	300,456	220,876
Accrued Expenses	1,060,293	1,259,462	692,417	615,513
CHP Hospitality and Tourism Limited	400	423,407	-	-
Advance Deposit	127,778	301,151	127,778	111,332
Service Charge Distribution	43,625	47,619	43,625	34,347
VAT Payables	359,505	352,584	27,008	23,469
SAH/CHP Other payables	372,668	-	-	-
unclaimed Dividend	71,357	71,357	71,357	71,357
Other Payables	395,896	144,489	-	-
Total	3,155,895	3,331,703	1,262,642	1,076,894
	30-Sep-21		30-Sep-21	
	N'000	N'000	N'000	N'000
26 Deposit for Shares	<u>93,600</u>	<u>93,600</u>	<u>93,600</u>	<u>93,600</u>
	30-Sep-21		30-Sep-21	
	N'000	N'000	N'000	N'000
27 Due to Related Parties	<u>-</u>	<u>-</u>	<u>509,294</u>	<u>517,717</u>
Capital Hotel Plc/Abuja Sheraton Hotel	-	-	509,294	517,717
Federal Palace/Sun	4,247	4,247	4,247	4,247
IHL Services limited	-	-	784,760	784,760
Alurum investment Ltd/Omamo Trust Limitec	4,235,094	3,886,285	4,235,094	3,886,285
Minabo Limited	2,477,024	2,273,014	2,477,024	2,273,014
AVI Services/G. M. Ibru	1,878,747	1,724,011	1,878,747	1,724,011
Total	8,595,111	7,887,557	9,889,165	9,190,034
	30-Sep-21		30-Sep-21	
	N'000	N'000	N'000	N'000
28 Dividend Payable	<u>105,960</u>	<u>109,845</u>	<u>16,691</u>	<u>16,691</u>
At 1, January	105,960	109,845	16,691	16,691
Dividend declared	-	89,395	-	41,576
Dividend paid	-	(93,280)	-	(41,576)
Total	105,960	105,960	16,691	16,691
	30-Sep-21		30-Sep-21	
	N'000	N'000	N'000	N'000
29.1 Current Tax Payable	<u>256,618</u>	<u>469,574</u>	<u>11,082</u>	<u>128,600</u>
At 1 January	256,618	469,574	11,082	128,600
Payment in the year	(19,108)	(201,992)	(19,108)	(100,616)
Charge for the year (Note 29.3)	103,836	13,703	20,086	7,765
(Over)/under provision	-	(24,667)	-	(24,667)
Total	341,345	256,618	12,059	11,082
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				
	30-Sep-21		30-Sep-21	
	N'000	N'000	N'000	N'000
29.2 Deferred Taxation	<u>857,429</u>	<u>553,841</u>	<u>(237,841)</u>	<u>134,615</u>
At January	857,429	553,841	(237,841)	134,615
Write back/Charge in the period	0	303,588	0	(372,456)
Total	857,429	857,429	(237,841)	(237,841)
	30-Sep-21		30-Sep-21	
	N'000	N'000	N'000	N'000
29.3 Current Tax Charges	<u>103,836</u>	<u>-</u>	<u>20,086</u>	<u>-</u>
Income Tax	103,836	-	20,086	-
Education Tax	-	-	-	-
Minimum Tax	-	10,863	-	10,863
Prior year (Over)/ under Provision	-	-	-	-
	<u>103,836</u>	<u>10,863</u>	<u>20,086</u>	<u>10,863</u>

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Deferred Taxation	-	-	-	-
Income Statement	<u>103,836</u>	<u>10,863</u>	<u>20,086</u>	<u>10,863</u>

Tax Payable/Deferred Tax

The Company has adopted the IFRS 12 - Income Taxes, Deferred Taxation which is computed using the liability method

30. Retirement benefit obligation

- The Company complies with the provisions of the Pension Reform Act 2014 whereby both employer and employees contributed 10% and 8% each of employee gross emolument on monthly basis. Both employer and employee contributions are remitted monthly to the employees' chosen Pension Fund Administrators (PFA). Employer contribution has been charged to the statement of profit or loss and other comprehensive income.
- Under the defined benefit's scheme member's past service benefits have been assessed using the Projected Unit Credit Method (PUCM). This method calculates the actuarial liability (staff gratuity benefits and long service grants) as the discounted value of the benefits that have accrued over the past period of membership of the beneficiaries. In determining this value allowance is made for any future expected inflationary growth of the on-going benefits up to the exit date.

Defined contribution plan (Note 30.1)
Defined benefit plan (Note 30.2)

The Group		The Company	
30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
N'000	N'000	N'000	N'000
-	-	-	-
1,054,022	982,175	688,922	684,132
<u>1,054,022</u>	<u>982,175</u>	<u>688,922</u>	<u>684,132</u>

30.1 Defined contribution plan

At 1 January
Contribution in the year
Remittance during the year

-	-	-	-
-	147,007	-	84,754
-	(147,007)	-	(84,754)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The defined benefit plan is further analysed

30.2 into:

Active plan (Note 30.3)
Terminated plan (Note 30.4)

620,034	614,244	620,034	614,244
433,988	367,931	68,888	69,888
<u>1,054,022</u>	<u>982,175</u>	<u>688,922</u>	<u>684,132</u>

30.3 Active Plan

At 1, January
Current Service Cost & Interest
Interest Cost
Payment in the period
Re-measurement gains/losses

30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
N'000	N'000	N'000	N'000
614,244	1,386,217	614,244	1,386,217
150,629	68,030	5,790	68,030
-	119,864	-	119,864
-	(865,307)	-	(865,307)
-	(94,560)	-	(94,560)
<u>764,873</u>	<u>614,244</u>	<u>620,034</u>	<u>614,244</u>

Present value of defined benefit obligation
Fair value of plan assets

1,386,217	614,244	1,386,217	614,244
-	-	-	-

30.4 Terminated obligations

At 1 January
Payments in the year

367,931	384,358	69,888	70,888
-	(16,427)	-	(1,000)
<u>367,931</u>	<u>367,931</u>	<u>69,888</u>	<u>69,888</u>

The terminated obligations is in respect of the gratuity scheme which have been discontinued based on agreements with the Group's workers union. Settlements of the outstanding balances at termination are made in accordance with terms contained in the agreement with the workers union.

31 Share Capital

30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
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IKEJA HOTEL PLC

31.1	Authorised 4,000,000,000 Ordinary shares of 50 kobo each	N'000 2,000,000	N'000 2,000,000	N'000 2,000,000	N'000 2,000,000
31.2	Issued and fully paid At 1 January	30-Sep-21 N'000 1,039,398 1,039,398	31-Dec-20 N'000 1,039,398 1,039,398	30-Sep-21 N'000 1,039,398 1,039,398	31-Dec-20 N'000 1,039,398 1,039,398
	Number: 2,078,796,396 ordinary shares of 50 kobo each				
32	Share Premium Reserve At 1 January	30-Sep-21 N'000 1,381,072 1,381,072	31-Dec-20 N'000 1,381,072 1,381,072	30-Sep-21 N'000 1,381,072 1,381,072	31-Dec-20 N'000 1,381,072 1,381,072
33	Retained Earnings At 1 January Transfer from profit & loss account Dividend declared Re-measurement gain/(loss) on defined benefit plan	30-Sep-21 N'000 6,268,548 (48,327) - - 6,220,220	31-Dec-20 N'000 12,329,582 (6,066,199) (89,395) 94,560 6,268,548	30-Sep-21 N'000 5,178,389 42,682 - - 5,221,071	31-Dec-20 N'000 6,357,112 (1,231,707) (41,576) 94,560 5,178,389
34	Non-controlling interest At 1 January Share of profit/(Loss) NCI's share of revaluation surplus on land	30-Sep-21 N'000 9,004,796 (146,924) 8,857,872	31-Dec-20 N'000 4,620,530 (655,502) 5,039,768 9,004,796	30-Sep-21 N'000 - - - -	31-Dec-20 N'000 - - - -
35	Investment in Subsidiary Charles Hampton Limited IHLS Limited Hans Gremin Nigeria Limited	30-Sep-21 N'000 - - - -	31-Dec-20 N'000 - - - -	30-Sep-21 N'000 3,499 100 4,440,919 4,444,518	31-Dec-20 N'000 3,499 100 4,440,919 4,444,518
	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.				
36	Investment Accounted for Using Equity Method At 1 January Share of loss of joint venture	30-Sep-21 N'000 - - -	31-Dec-20 N'000 - - -	30-Sep-21 N'000 798,722 - 798,722	31-Dec-20 N'000 798,722 - 798,722
	Investment relates to 273,529,085 units of stock in the Tourist Company of Nigeria Plc.				

**Statement of Comprehensive Income Forecast
For The Quarter Ending 31 December, 2021**

	3 Months =N='000
Turnover	2,977,583
Cost of Sales	(2,187,254)
Gross Operating Profit	790,329
Operating Expenses	<u>(435,206)</u>
Result from Operating Activities	355,123
Net finance costs	<u>(279,877)</u>
Profit/(Loss) before Taxation	75,246
Current Tax Expense	<u>(22,574)</u>
Profit for the period	<u><u>52,672</u></u>

**UNAUDITED GROUP RESULTS FOR NINE MONTHS
ENDED 30 SEPTEMBER 2021**

	30/09/2021	30/09/2020	%
	=N='000	=N='000	Change
TURNOVER	6,595,303	3,602,833	83.06
OPERATING PROFIT/LOSS	621,034	(760,426)	(181.67)
FINANCE CHARGES	(722,895)	(652,374)	10.81
PROFIT/(LOSS) BEFORE TAX	(91,415)	(1,389,224)	(93.42)
TAXATION	(103,836)	(10,863)	855.90
PROFIT/(LOSS) AFTER TAX	(195,251)	(1,400,087)	(86.05)