

IKEJA HOTEL PLC (RC 10845)

**Unaudited Group Accounts
For The Third Quarter Ended 30 September 2019**

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 the Group for the Quarter Ended 30 September 2019.

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, fairly present in all material respects the consolidated statement of financial position, consolidated financial performance and consolidated cash flows of the Group for the Quarter Ended 30 September 2019.

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 period 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 Financial Statements of Ikeja Hotel Plc for the Quarter Ended 30 September 2019 are complete, accurate and free from any material misstatement.



Theophilus E. Netufo
Chief Operating Officer
FRC/2013/ICAN/00000004775

22-Oct-19



Zacchaeus O. Adeyemo
Finance Manager
FRC/2018/ICAN/00000017858

22-Oct-19

IKEJA HOTEL PLC

ACCOUNTING POLICIES AND OTHER DISCLOSURES FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2019

1. The Group

1.1 The reporting entity

The Financial Statements, and other financial information included therein, fairly present in all material respects the consolidated statement of financial position, consolidated financial performance and consolidated cash flows of the Group for the Quarter Ended 30 September 2019.

1.1.1 The Group

The group comprise Ikeja Hotel Plc and its subsidiaries - 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 polices 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 statemnets 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 30 September 2019.

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.

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.

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 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.

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

- 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.

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 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.

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	%
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Freehold land	NIL
Building	5
Hotel equipment	20
Office equipment	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.

j) 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.

k) 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.

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

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.

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.

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.

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

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 banquette 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.

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 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 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.

IKEJA HOTEL PLC (RC 10845) Unaudited Interim Financial Statements

Consolidated Statement of Financial Position
As at 30 September, 2019

	Notes	The Group		The Company	
		30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
Non-Current Assets					
Property, plant and equipment	1	14,240,300	5,949,416	8,172,342	3,888,645
Investment Property	1.1	4,630,087	4,630,087	-	-
Capital Work in Progress	2	-	6,529,985	-	4,238,335
Intangible Asset	3	4,598,728	4,486,930	6,643	8,161
Investment in Subsidiaries	26	-	-	4,444,518	4,444,518
Investment accounted for using the equity method	27	-	147,014	798,722	798,722
Loans to Related Party	13	6,672,753	6,455,477	6,672,753	6,455,477
Due from Related Party	14	113,188	113,188	731,548	722,829
Total Non-Current Assets		30,255,056	28,312,097	20,826,526	20,556,687
Current Assets					
Inventories	12	645,397	670,302	50,739	55,333
Trade and Other Receivables	10	2,527,711	2,330,777	1,722,812	1,454,085
Prepayments	11	106,709	211,671	106,709	18,217
Cash and Cash Equivalents	15	5,324,258	6,292,323	2,721,326	2,524,787
Total Current Assets		8,604,076	9,505,073	4,601,586	4,052,422
Total Assets		38,859,132	37,817,170	25,428,111	24,609,110
Equity and Reserves					
Share Capital	23.2	1,039,398	1,039,398	1,039,398	1,039,398
Share Premium	24	1,381,072	1,381,072	1,381,072	1,381,072
Retained Earnings	25	11,952,334	11,673,832	5,879,356	5,682,469
Equity attributable to equity holders of Parent		14,372,804	14,094,302	8,299,826	8,102,939
Non-Controlling interest	25.2	4,463,902	4,355,626	-	-
		18,836,706	18,449,928	8,299,826	8,102,939
Liabilities					
Non-Current Liabilities					
Due to Related Parties	19	6,850,822	6,286,936	8,240,522	7,835,409
Retirement Benefits Obligation	22	2,378,724	2,334,784	1,793,670	1,728,301
Deferred Tax	21.2	611,127	611,127	188,252	188,252
Total Non-Current Liabilities		9,840,673	9,232,847	10,222,443	9,751,962
Current Liabilities					
Trade and Other Payables	17	3,889,658	4,054,306	1,340,779	1,252,102
Deferred Income	16	5,349,829	5,259,561	5,302,940	5,085,665
Deposit for Shares	18	93,600	93,600	93,600	93,600
Dividend Payable	20	109,845	109,845	16,691	16,691
Current Tax Payable	21.1	738,819	617,083	151,832	306,152
Total Current Liabilities		10,181,751	10,134,395	6,905,842	6,754,209
Total Liabilities		20,022,423	19,367,242	17,128,285	16,506,171
Total Equity and Liabilities		38,859,132	37,817,170	25,428,111	24,609,110

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 22 October 2019:

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/00000004775

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 Quarter Ended 30 September,2019**

	Note	Three Months Ended				Nine Months Ended			
		The Group		The Company		The Group		The Company	
		30-Sep-19 N'000	30-Sep-18 N'000	30-Sep-19 N'000	30-Sep-18 N'000	30-Sep-19 N'000	30-Sep-18 N'000	30-Sep-19 N'000	30-Sep-18 N'000
Revenue	4	3,309,259	3,275,290	1,909,252	1,828,105	9,118,650	9,739,125	5,401,575	5,433,665
Cost of Sales	5	(2,244,041)	(2,465,154)	(1,193,226)	(1,149,949)	(6,568,505)	(6,866,665)	(3,496,207)	(3,456,463)
Gross Profit		1,065,218	810,136	716,026	678,156	2,550,145	2,872,460	1,905,368	1,977,202
Other Income	6	154,722	19,179	10,592	6,248	303,865	44,918	47,225	57,835
Sales and Distribution Expenses	8	(105,109)	82,336	(74,774)	(57,385)	(347,705)	(176,474)	(208,743)	(176,474)
Administrative and General Expenses	7	(534,974)	(255,408)	(330,418)	(200,781)	(1,166,592)	(1,025,798)	(686,016)	(647,249)
Operating Profit		579,856	656,243	321,427	426,238	1,339,712	1,715,107	1,057,833	1,211,314
Finance costs	9	(196,928)	(173,310)	(196,927)	(173,310)	(583,357)	(535,128)	(583,357)	(535,128)
Share of loss in investment accounted for using equity		(33,576)	(80,620)	-	-	(147,014)	(80,620)	-	-
Profit before Taxation		349,352	402,314	124,499	252,928	609,341	1,099,359	474,476	676,186
Current Tax Expense	21.3	(39,839)	-	(39,840)	-	(174,744)	(232,618)	(215,225)	(135,442)
Profit for the period		309,513	402,314	84,660	252,928	434,597	866,740	259,251	540,744
Profit/(Loss) attributable to:									
Equity holders of the parent		170,666	310,068	-	-	326,321	665,437	-	-
Non-controlling interest		138,847	92,245	-	-	108,276	201,303	-	-
		309,513	402,314	84,660	252,928	434,597	866,740	259,251	540,744
Other Comprehensive Income/(Loss) for the Period									
Gain on provision for liability no longer required		-	-	-	-	-	-	-	-
Total Comprehensive Income for the Period		309,513	402,314	84,660	252,928	434,597	866,740	259,251	540,744
Earnings per share (kobo)		15	19	4	12	21	42	12	26

Ikeja Hotel Plc
Statement of Changes in Equity as at 30 September, 2019

Attributable to the Equity Holders of the Company	The Group						The Company			
	Issued Capital	Share Premium	Retained Earnings	Revaluation Reserve	Non-controlling interest	Total equity	Issued Capital	Share Premium	Retained Earnings	Total
	=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 2019	1,039,398	1,381,072	11,673,832	-	4,355,626	18,449,928	1,039,398	1,381,072	5,682,469	8,102,939
Changes in Equity for the Period										
Profit for the period			326,321		108,276	434,597	-	-	259,251	259,251
Dividend declared and paid during the period			(47,819)			(47,819)				
Unrealised foreign exchange Loss			-			-			-	-
Interim Dividend									(62,364)	(62,364)
Gain on provision for liability no longer required			-			-			-	-
Total Comprehensive Income for the Period			278,502						196,887	-
At 30 September 2019	1,039,398	1,381,072	11,952,334	-	4,463,902	18,836,706	1,039,398	1,381,072	5,879,356	8,299,826
Balance as at 1 January 2018	1,039,398	1,381,072	6,864,083	4,135,571	5,509,575	18,929,699	1,039,398	1,381,072	5,005,435	7,425,905
Changes in Equity for the period										
Profit for the period			535,485		129,446	664,931	-	-	455,302	455,302
Dividend declared and paid during the period			(47,819)			(47,819)				
Unrealised foreign exchange gain						-				-
Gain on provision for liability no longer required						-				-
Total Comprehensive Income for the Period							-	-	455,302	455,302
At 30 September 2018	1,039,398	1,381,072	7,351,749	4,135,571	5,639,021	19,546,811	1,039,398	1,381,072	5,460,737	7,881,207

IKEJA HOTEL PLC (RC 10845) Unaudited Interim Financial Statements

Consolidated Statement of Cash Flows For the Period Ended 30 September, 2019

	Notes	The Group		The Company	
		30-Sep-19 N'000	30-Sep-18 N'000	30-Sep-19 N'000	30-Sep-18 N'000
Profit after tax		434,597	664,931	259,251	591,857
Adjustment for:					
Depreciation of PPE	1	548,221	526,704	258,245	256,012
Amortisation of Intangible Asset	3	101,543	10,489	1,518	1,518
Finance Costs	9	583,357	541,752	583,357	541,752
Dividend Income		-	-	(26,744)	-
Share of loss in investment accounted for using equity		147,014	80,620	-	-
Loss/(Profit) on retirement of PPE		(9,750)	2,100	(9,750)	2,100
Unrealised exchange gain/(loss)		(280,636)	-	68,835	-
Income tax expense	22	174,744	387,494	215,225	214,260
		1,699,091	2,214,089	1,349,937	1,607,498
Changes in:					
Inventories	12	24,905	278,647	4,594	210,045
Trade and Other Receivables	10	(196,934)	(229,361)	(268,727)	(280,779)
Prepayments	11	104,962	(134,944)	(88,492)	(42,666)
Post Employment Benefits	23	43,940	(79,497)	65,369	104,529
Loans and Receivables	13	(217,276)	(153,789)	(217,276)	(230,684)
Due from Related Parties	14	-	(6,505)	(8,719)	(7,240)
Trade and Other Payables	18	(164,648)	41,004	88,677	(198,040)
Deferred Income	17	90,268	108,589	217,275	243,238
Due to Related Parties	20	563,886	505,042	405,112	326,784
		2,284,346	2,679,829	1,488,242	1,732,685
Cash generated from Operating Activities					
Income tax paid	22	(64,302)	(263,263)	(369,545)	(27,713)
		2,220,045	2,416,566	1,118,697	1,704,973
Net Cash from Operating Activities					
Cash Flows from Investing Activities					
Purchase of PPE	1	(2,320,678)	(227,313)	(317,682)	(113,562)
Purchase of long term investment	3	(236,257)	-	-	-
Dividend Income		-	-	26,744	-
Proceeds from disposal of PPE		-	-	14,500	-
Additions/Utilization of Capital Work in Progress	2	-	(99,159)	-	(99,159)
		(2,556,935)	(326,473)	(276,437)	(212,722)
Net Cash Flows used in Investing Activities					
Cash Flows from Financing Activities					
Finance Costs	9	(583,357)	(541,752)	(583,357)	(535,128)
Dividend Paid	21	(47,819)	(47,819)	(62,364)	-
		(631,176)	(589,571)	(645,721)	(541,752)
Net Cash Flows used in Financing Activities					
			-	-	-
Net Increase in Cash and Cash Equivalent		(968,066)	1,500,523	196,539	950,499
Cash and Cash Equivalents at the beginning of the year		6,292,323	4,366,578	2,524,787	955,338
		5,324,258	5,867,101	2,721,326	1,905,837
Cash and Cash Equivalent at the end of the period					

**SCHEDULE OF PROPERTY PLANT AND EQUIPMENT
For the Period Ended 30 September, 2019**

The Group

	Land	Buildings	Hotel Equipment	Office Equipment	Computer Equipment	Motor Vehicles	Total
1 Cost/Valuation							
At 1st January	3,440,742	1,707,274	4,830,681	3,620,731	350,797	290,844	14,241,069
Transfer from Capital Work in Progress		6,175,046	286,397	8,945	14,311		6,484,700
Addition	-	36,669	2,310,889	1,383	13,321	3,700	2,365,962
Disposal/Retirement	-	-	(81,347)	-	(7,161)	(4,990)	(93,499)
At 30 September, 2019	3,440,742	7,918,989	7,346,620	3,631,059	371,268	289,554	22,998,232
Depreciation and impairment							
At 1st January		822,443	3,956,487	3,006,365	220,110	283,724	8,289,128
Retirement	-		(74,411)		(17)	(4,990)	(79,418)
Depreciation charge during the year	-	190,474	201,467	109,154	43,140	3,986	548,221
At 30 September, 2019	-	1,012,917	4,083,543	3,115,518	263,233	282,720	8,757,932
Carrying Amount							
At 30 September, 2019	3,440,742	6,906,072	3,263,077	515,541	108,035	6,834	14,240,300
At 31 December, 2018	3,440,742	884,832	874,191	614,363	130,686	4,602	5,949,416

(71,124)

The Company

	Land	Buildings	Hotel Equipment	Office Equipment	Computer Equipment	Motor Vehicles	Total
1 Cost/Valuation							
At 1st January	3,084,350	776,951	2,519,626	84,875	350,797	54,425	6,871,024
Transfer from Capital Work in Progress		3,966,491	286,397	8,945	14,311		4,276,145
Addition	-	36,669	224,800	1,383	13,321	3,700	279,873
Disposal/Retirement	-	-	(81,347)	-	(7,161)	(4,990)	(93,499)
At 30 September, 2019	3,084,350	4,780,111	2,949,476	95,203	371,268	53,135	11,333,543
Depreciation and impairment							
At 1st January	-	518,929	2,122,558	66,352	220,110	54,425	2,982,373
Depreciation charge during the year	-	72,698	138,554	3,134	43,140	719	258,245
Disposal/Retirement	-		(74,411)		(17)	(4,990)	(79,418)
At 30 September, 2019	-	591,627	2,186,701	69,485	263,233	50,154	3,161,201
Carrying Amount							
At 30 September, 2019	3,084,350	4,188,484	762,775	25,718	108,035	2,981	8,172,342
At 31 December, 2018	3,084,350	258,023	397,065	18,521	130,686	-	3,888,645

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

	The Group		The Company	
	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	N'000	N'000	N'000	N'000
Capital Work in Progress				
2 At 1 January	6,529,985	6,320,396	4,238,335	4,111,841
Addition	37,810	209,589	37,810	126,495
Transfer to PPE	(6,567,794)	-	(4,276,145)	-
Total	-	6,529,985	-	4,238,335
This represents on going renovation works at the hotel				
3 Intangible Asset				
3.1 Computer Software				
Cost/Valuation				
At 1 January	46,337	69,253	20,236	20,236
Additions for the year	236,257	-	-	-
Total	282,594	69,253	20,236	20,236
3.2 Amortization				
At 1 January	34,991	20,973	12,075	10,051
Charge for the period	101,543	14,018	1,518	2,024
Total	136,534	34,991	13,593	12,075
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				
	4,452,668	4,452,668	-	-
3.4 Carrying Value as at 30 September 2019	4,598,728	4,486,930	6,643	8,161
4 Revenue				
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	N'000	N'000	N'000	N'000
Rooms	5,510,139	5,772,152	3,576,789	3,397,294
Food & Beverage	2,927,305	3,026,006	1,507,094	1,448,272
Minor Operating Departments	177,589	400,496	28,906	47,628
Miscellaneous Income	503,617	540,471	288,787	540,471
Total	9,118,650	9,739,125	5,401,575	5,433,665
5 Cost of Sales				
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	N'000	N'000	N'000	N'000
Rooms	1,182,061	1,205,552	749,214	778,010
Food & Beverage	2,073,689	2,022,866	1,192,889	1,108,655
Minor Operating Departments	95,013	2,095,479	37,691	27,030
Cost of Sales - Head Office	-	23,946	-	23,946
Administrative & General	1,392,813	723,798	787,782	723,798
Info & Telecom System	216,139	107,356	96,998	107,356
Property Operations & Maintenance	701,741	339,053	281,431	339,053
Insurance	17,830	-	17,830	-
Utilities	889,220	348,615	332,372	348,615
Total	6,568,505	6,866,665	3,496,207	3,456,463
6 Other Income				
	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	N'000	N'000	N'000	N'000
Interest on Deposit	5,461	288	2,713	288
Sales of Scrap	8,018	41,787	8,018	30,802
Dividend Income	-	2,843	26,744	26,744
Gain/(Loss on disposal of assets)	9,750	-	9,750	-
Exchange Gain on Translation of Currency(Unrealized)	280,636	-	-	-
	303,865	44,918	47,225	57,835

NOTES TO THE ACCOUNTS

	The Group		The Company	
Note	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
	N'000	N'000	N'000	N'000
7 Administrative Expenses				
Directors Remuneration (Note 7.1a)	25,422	21,882	7,989	9,104
Employee Costs	75,516	87,686	75,516	68,248
Depreciation of PPE	544,851	518,207	254,874	256,012
Amortisation	1,518	10,489	1,518	1,518
Management Fee	84,091	53,479	-	53,479
Operations Incentive Fees	144,951	81,505	129,638	81,505
Legal Expenses	7,000	16,030	7,000	5,100
Professional Fees	68,756	65,259	68,756	65,259
Insurance	27,780	37,447	12,358	37,447
Medical Expenses	4,845	5,262	4,845	5,262
Transport and Travelling	5,601	7,412	3,118	3,033
Repairs & Maintenance	2,819	3,410	2,819	3,410
Bank charges and Commission	13,632	755	712	597
Audit Fee	8,622	8,805	6,000	6,000
Audit Expenses	10,451	-	-	-
Rent and Rate	7,353	12,088	7,353	5,658
Advertising and Publicity	2,225	1,856	2,225	1,856
Printing and Stationary	1,777	1,948	1,777	1,948
Communication	5,737	6,271	4,488	6,271
Donation and Subscription	3,872	15,354	3,872	10,363
Foreign Exchange Loss	68,835	-	68,835	-
AGM Expenses	8,983	10,978	8,983	10,978
Other Administrative Expenses (Note 7.1b)	41,953	59,675	13,339	14,201
	1,166,592	1,025,798	686,016	647,249
7.1 Administrative Expenses-Disclosures				
a Directors Remuneration			N'000	N'000
Directors expenses			7,989	9,104
Directors fees			-	-
			7,989	9,104
b Other Administrative Expenses			N'000	N'000
Pension contribution			4,726	3,634
Recruitment & Training			1,345	1,132
Auto Repairs			1,040	1,543
Electricity			3,128	5,013
Security			3,100	2,880
			13,339	14,201
8 Sales & Marketing Expenses	347,705	176,474	208,743	176,474
9 Finance Income and Finance Cost				
Interest Expense	583,357	535,128	583,357	535,128
	583,357	535,128	583,357	535,128
Interest expense represents charges paid and/or payable on loans.				
10 Trade and Other Receivables				
Allowances for Impairment Losses	2,072,958	1,311,774	1,334,383	783,003
Net Trade Receivables	(121,195)	(190,354)	(20,083)	(16,201)
Other Receivables (Note 10.1)	1,951,763	1,121,420	1,314,300	766,802
	575,948	1,209,357	408,512	687,283
	2,527,711	2,330,777	1,722,812	1,454,085
10.1 Other Receivables				
Advances to Employees	3,904	40,624	3,904	3,931
Withholding tax receivables	445,617	913,149	278,181	627,429
Advances to Suppliers	126,427	255,584	126,427	55,923
Total	575,948	1,209,357	408,512	687,283

NOTES TO THE ACCOUNTS

The Group

The Company

	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	N'000	N'000	N'000	N'000
11 Prepayments				
P/PM PC's Software	11,106	11,160	11,106	12,969
Prepaid Rent	5,876	1,809	5,876	-
Prepaid Maintenance	-	14,035	-	2,343
Prepaid Dues and Subscription	18,850	2,343	18,850	255
Prepaid Insurance	17,453	255	17,453	-
Supplies	-	144,662	-	-
Staff benefits	-	30,752	-	-
Prepaid - Others	53,424	6,655	53,424	2,650
Total	106,709	211,671	106,709	18,217

	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	N'000	N'000	N'000	N'000
12 Inventories				
Food & Beverage	111,664	120,847	50,739	55,333
Maintenance Supplies	-	76,476	-	-
Inventory WIP	533,733	472,979	-	-
Total	645,397	670,302	50,739	55,333

	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	N'000	N'000	N'000	N'000
13 Loans and Receivables				
At 1 January	6,455,477	6,151,565	6,455,477	6,151,565
Interest Capitalised	217,276	303,912	217,276	303,912
Amount received	-	-	-	-
Exchange Revaluation	-	-	-	-
	6,672,753	6,455,477	6,672,753	6,455,477

Loans and receivable relate to receivable from The Tourist Company of Nig. Plc

	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	N'000	N'000	N'000	N'000
14 Due from Related Party				
Hans-Gremlin (Nigera) Ltd.	-	-	486,048	485,313
AVI	31,122	31,122	-	-
GMI & Co	113,188	113,188	-	-
Felfan	59,074	59,074	-	-
Charles Hampton	-	-	245,499	237,516
	203,384	203,384	731,548	722,829
Impairment allowance	(90,196)	(90,196)	-	-
Total	113,188	113,188	731,548	722,829

14 Impairment allowance represent balance in AVI and Felfan without movement for the past three years

	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	N'000	N'000	N'000	N'000
15 Cash & Cash Equivalent				
Cash in Hand	3,559	918	2,809	335
Cash at Bank	2,966,930	2,760,408	2,677,137	2,312,561
	2,970,488	2,761,326	2,679,946	2,312,896
Placement with Fund Managers	38,882	-	38,882	-
Time Deposits	2,314,889	3,530,997	2,499	211,891
As per Statement of Financial position	5,324,258	6,292,323	2,721,326	2,524,787

NOTES TO THE ACCOUNTS

	The Group		The Company	
	30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
16 Deferred Income	<u>5,349,829</u>	<u>5,259,561</u>	<u>5,302,940</u>	<u>5,085,665</u>
17 Trade and Other Payables	30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
Trade Payables	463,160	1,193,288	257,630	468,677
CHP Hospitality and Tourism Limited	625,254	625,254	-	-
Accrued Expenses (Note 17.1)	1,769,438	810,390	478,466	366,939
Due to Starwood Eame License and Service Company	-	9,424	-	9,424
VAT Payables	20,932	347,849	20,932	16,892
Advance Deposit	762,110	640,156	451,026	252,141
Service Charge Distribution	43,074	43,327	43,074	43,327
unclaimed Dividend	51,879	51,879	51,879	51,879
Other Credit Liabilities	153,811	332,739	37,773	42,823
	<u>3,889,658</u>	<u>4,054,306</u>	<u>1,340,779</u>	<u>1,252,102</u>
17.1 Accrued Expenses Analyses	N'000	N'000	N'000	N'000
Expenses	1,745,254	785,362	454,282	341,908
LASG Consumption Tax	24,184	25,028	24,184	25,028
	<u>1,769,438</u>	<u>810,390</u>	<u>478,466</u>	<u>366,936</u>
18 Deposit for Shares	30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
	<u>93,600</u>	<u>93,600</u>	<u>93,600</u>	<u>93,600</u>
19 Due to Related Parties	30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
Capital Hotel Plc/Abuja Sheraton Hotel	-	-	604,940	763,713
Federal Palace/Sun	4,247	4,247	4,247	4,247
IHL Services limited	-	-	784,760	784,760
Alurum investment Ltd/Omamo Trust Limited	3,375,200	3,097,221	3,375,200	3,097,221
Minabo Limited	1,974,089	1,811,501	1,974,089	1,811,501
AVI Services/G. M. Ibru	1,497,286	1,373,967	1,497,286	1,373,967
	<u>6,850,822</u>	<u>6,286,936</u>	<u>8,240,522</u>	<u>7,835,409</u>
20 Dividend	30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
At 1, January	109,845	109,845	16,691	16,691
Dividend declared	47,819	-	-	-
Dividend paid	(47,819)	-	-	-
	<u>109,845</u>	<u>109,845</u>	<u>16,691</u>	<u>16,691</u>
21 Taxation	30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
21.1 Current Tax Payable	N'000	N'000	N'000	N'000
As at January	617,083	440,748	306,152	142,935
Prior year Adjustment	-	-	63,393	-
Provision during the period	186,037	439,283	151,832	190,615
Payment during the period	(64,302)	(262,948)	(20,297)	(27,398)
At 30 September, 2019	<u>738,819</u>	<u>617,083</u>	<u>151,832</u>	<u>306,152</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				
21.2 Deferred Taxation	30-Sep-19 N'000	31-Dec-18 N'000	30-Sep-19 N'000	31-Dec-18 N'000
At January	611,127	926,690	188,252	228,628
Write back/Charge in the period	-	(315,563)	-	(40,376)
At 30 September, 2019	<u>611,127</u>	<u>611,127</u>	<u>188,252</u>	<u>188,252</u>
21.3 Current Tax Charges	30-Sep-19	30-Sep-18	30-Sep-19	30-Sep-18
Income Tax	165,255	217,726	142,343	126,977
Education Tax	9,490	14,892	9,490	8,465
Prior year underprovision	-	-	63,393	-
	<u>174,744</u>	<u>232,618</u>	<u>215,225</u>	<u>135,442</u>
Deferred Taxation	-	-	-	-
Income Statement	<u>174,744</u>	<u>232,618</u>	<u>215,225</u>	<u>135,442</u>

Tax Payable/Deferred Tax

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

NOTES TO THE ACCOUNTS

The Group

The Company

	30-Sep-19	31-Dec-18	30-Sep-19	31-Dec-18
	N'000	N'000	N'000	N'000
22 Employee Benefits				
At 1, January	2,334,784	2,532,920	1,728,301	1,636,723
Current Service Cost & Interest	-	336,481	-	336,481
Payment in the period	(31,429)	(435,034)	(10,000)	(145,320)
Provision for the year	75,369	(101,551)	75,369	(101,551)
Curtailement/settlement	-	-	-	-
Adjustments	-	1,968	-	1,968
Re-measurement gains/losses	-	-	-	-
At 30 September, 2019	<u>2,378,724</u>	<u>2,334,784</u>	<u>1,793,670</u>	<u>1,728,301</u>
23 Share Capital				
23.1 Authorised				
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>
23.2 Issued and fully paid				
At 1 January	1,039,398	1,039,398	1,039,398	1,039,398
At 30 September, 2019	<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				
24 Share Premium Reserve				
At 1 January	1,381,072	1,381,072	1,381,072	1,381,072
At 30 September, 2019	<u>1,381,072</u>	<u>1,381,072</u>	<u>1,381,072</u>	<u>1,381,072</u>
25 Retained Earnings				
At 1 January	11,673,832	10,909,841	5,682,469	5,005,435
Transfer from profit & loss account	326,321	763,991	259,251	677,034
Dividend declared and paid during the year	(47,819)	-	(62,364)	-
Re-measurement gain/(loss) on defined benefit plan	-	-	-	-
At 30 September, 2019	<u>11,952,334</u>	<u>11,673,832</u>	<u>5,879,356</u>	<u>5,682,469</u>
25.2 Non-controlling interest				
At 1 January	4,355,626	4,014,257	-	-
Effect of reversal of impairment in subsidiary	-	-	-	-
Share of profit	108,276	341,369	-	-
At 30 September, 2019	<u>4,463,902</u>	<u>4,355,626</u>	<u>-</u>	<u>-</u>
26 Investment in Subsidiary				
Hans Gremin Nigeria Limited	-	-	4,440,919	4,440,919
Charles Hampton Nigerial Limited	-	-	3,499	3,499
IHL Services Limited	-	-	100	100
	<u>-</u>	<u>-</u>	<u>4,444,518</u>	<u>4,444,518</u>
27 Investment Accounted for the Equity Method				
At 1 January	147,014	315,023	798,722	798,722
Share of loss in investment accounted for using the equity method	(147,014)	(168,009)	-	-
At 30 September, 2019	<u>-</u>	<u>147,014</u>	<u>798,722</u>	<u>798,722</u>
Investment relates to 273,529,085 units of shares in The Tourist Company of Nigeria Plc.				

**UNAUDITED GROUP RESULTS FOR NINE MONTHS
ENDED 30 SEPTEMBER 2019**

	9/30/2019	9/30/2018	%
	=N='000	=N='000	Change
TURNOVER	9,118,650	9,739,125	(6.37)
OPERATING PROFIT	1,339,712	1,715,107	(21.89)
FINANCE CHARGES	(583,357)	(535,128)	9.01
PROFIT/(LOSS) BEFORE TAX	756,355	1,179,979	(35.90)
TAXATION	(174,744)	(232,618)	(24.88)
PROFIT/(LOSS) AFTER TAX	581,611	947,360	(38.61)

IKEJA HOTEL PLC
TRIAL BALANCE AS AT 30 SEPTEMBER, 2019

DESCRIPTION	IHPLC NAIRA	Adjustment NAIRA	SHERATON NAIRA	IHPL & SLH CONSOLIDATED NAIRA		HAMS GREMLIN	CAPITAL HOTEL PLC	IHL SERVICES LIMITED
Access Bank plc	(6,376,956.90)			(6,376.96)				
Zenith Bank Plc	19,332.39			19.33				
Union Bank plc	260,602.24			260.60				
PETTY CASH	1,122,042.00		1,686,478.00	2,808.52				
SHERATON BANK	-		2,594,573,519.00	2,594,573.52				24,714
SHERATON-CASH REPLACEMENT RESERVE			88,660,989.00	88,660.99				
STERLING BANK CURRENT A/C	-			-				
Zenith fixed deposit				-				
Diamond fixed deposit	-			-	2,679,946.01			
Union Bank fixed deposit	2,498,586.02			2,498.59				
				-				
TRADE RECEIVABLES	-		1,334,382,511.00	1,334,382.51				934
PROVISION FOR DOUBTFUL DEBTS			(20,082,531.00)	(20,082.53)				
OTHER RECEIVABLES:				-	1,314,299.98			
ADVANCE TO EMPLOYEES			3,904,122.00	3,904.12				
ADVANCES TO SUPPLIERS			126,426,736.00	126,426.74				
SHERATON BRAND HOTELS				-				
				-				
				-				
INVENTORY			50,738,898.00	50,738.90				
PROV.FOR STOCK LOSS				-	50,738.90			
Prepaid exps-Rent	5,875,837.52			5,875.84				
Prepaid exps-insurance	4,581,169.76		12,872,163.00	17,453.33				
Prepaid exps-General	478,673.00		-	478.67				
Prepaid exps-Advertising				-				
Prepaid exps-housing	5,008,223.88		44,874,472.00	49,882.70				
Prepaid exps-maintenance				-				
Prepaid exps-dues & sub			18,849,939.00	18,849.94				
Prepaid software mtce			11,105,930.00	11,105.93				
Advance to employees	-			-				
Other Advances - Professional & Others	3,062,499.99			3,062.50				
Other Advances - Director Expenses	-			-	106,708.91			
				-				
Asset Improvement				-	-			
				-				
Investment in TCN	798,722,311.35			798,722.31				
Investment in Capital Hotels						6,334,272		
Investment in Hans-gremlin	4,440,919,206.67			4,440,919.21				
Investment in Charles Hampton	3,498,970.00			3,498.97				
Investment in IHLS	100,000.00			100.00	4,444,518.18			
Investment in MERISTEM WEALTH MGT LTD	38,881,601.15			38,881.60				
				-				
Intangible Assets	20,236,127.11			20,236.13				
Additions	-			-				
				-				
Retirement				-	20,236.13			

	IHPLC		SHERATON	CONSOLIDATED			
	NAIRA		NAIRA	NAIRA			
Leasehold land	3,084,350,016.10			3,084,350.02			
Additions				-			
Retirement				-			
Hotel building	776,951,022.19			776,951.02			
Additions	4,003,159,908.42			4,003,159.91			
Retirement				-			
Hotel Equipments	2,519,626,380.12			2,519,626.38			5,562
Additions	511,196,923.54			511,196.92			
Retirement	(81,347,498.94)			(81,347.50)			
Office Equipments	84,874,768.35			84,874.77			1,832
Additions	10,328,461.86			10,328.46			
Retirement				-			
Motor Vehicles	54,425,000.00			54,425.00			9,135
Additions	3,700,000.00			3,700.00			
Retirement	(4,990,000.00)			(4,990.00)			
Computer Equipments	350,797,284.70			350,797.28			
Additions	27,632,367.93			27,632.37			
Retirement	(7,161,413.00)			(7,161.41)	11,333,543.22		
Accum.Amortisation - Intangible Assets	(12,075,294.35)			(12,075.29)			
Additions	(1,517,709.54)			(1,517.71)			
Accum.Depreciaition-building	(518,928,544.46)			(518,928.54)			
Additions	(72,698,248.03)			(72,698.25)			
Retirement	-			-			
Accum.Depreciaition-hotel equip	(2,122,558,276.61)			(2,122,558.28)			(5,562)
Additions	(138,553,781.59)			(138,553.78)			
Retirement	74,410,872.20			74,410.87			
Accum.Depreciaition-office equip	(66,351,610.88)			(66,351.61)			(1,832)
Additions	(3,133,565.19)			(3,133.57)			
Retirement				-			
Accum.Depreciaition-motor vehicle	(54,424,999.99)			(54,425.00)			(9,135)
Additions	(719,444.46)			(719.44)			
Retirement	4,990,000.00			4,990.00			
Accum.Depreciation-computer	(220,109,861.03)			(220,109.86)			
Additions	(43,140,253.37)			(43,140.25)			
Retirement	16,666.67			16.67	(3,162,718.76)		
				-			
Trade creditors:				-	-		
Accounts payable			(257,629,773.00)	(257,629.77)			(54,264)
Accounts payable others	(93,600,000.00)			(93,600.00)			(536)
Unclaimed Dividend	(51,878,606.40)			(51,878.61)	(403,108.38)		
				-			
Accrued expenses	(173,929,863.69)	(6,000,000.00)	(274,350,301.00)	(454,280.16)			(50)
Payroll vacation			(4,451,099.00)	(4,451.10)			
Utilities-water				-			
electricity				-			
Accrued gratuity	(70,887,783.00)		(1,722,782,203.00)	(1,793,669.99)			(635)
Management fee - incentive			(13,353,090.00)	(13,353.09)			
Telephone/Internet				-			
Professional fees				-			
Bonus			-	-			
Reservation fee				-			
Deferred income	(5,302,940,427.99)		-	(5,302,940.43)			
				-	(7,568,694.77)		

	IHPLC NAIRA		SHERATON NAIRA	CONSOLIDATED NAIRA			
Accrued dividend	(16,690,525.74)			(16,690.53)		(26,746)	
Accrued income tax	-	(151,832,447.12)		(151,832.45)		(70,839)	(15,435)
Accrued payroll taxes	-		(19,968,932.00)	(19,968.93)			
Accrued withholding tax	278,181,373.86			278,181.37			
VAT Customers			(20,931,626.00)	(20,931.63)			
Lagos State Consumption Tax			(24,184,195.00)	(24,184.20)			
Accrued Audit Fees				-			
A/L SPG				-			
Account payable-service charge			(43,073,718.00)	(43,073.72)			
Unclaimed Property - SLH				-			
Advance deposit in transit			(451,025,883.00)	(451,025.88)			
A/P-Help a child			(1,616.00)	(1.62)			
Def inc - Short term				-	(449,527.57)		
				-			
Accrued Deferred tax	(188,251,683.80)			(188,251.68)	(188,251.68)		
				-			
Diamond Bank Acct 2	-			-			
Sheraton overdraft	-			-	9,142,425.18		
AVI Services loan	(290,310,255.76)			(290,310.26)			
Loan from Minabo Ltd	(1,974,089,106.58)			(1,974,089.11)			
Loan from Alurum(OMAMO)	(3,375,199,660.22)			(3,375,199.66)			
				-			
GM IBRU Current Account	(1,206,975,443.81)			(1,206,975.44)			
				-			
Abuja Sheraton	(604,940,189.97)			(604,940.19)	(7,451,514.66)		
TCN Current a/c	6,672,752,781.02			6,672,752.78	6,672,752.78		
Federal Palace/Sun Current A/C	(4,247,089.20)			(4,247.09)	(4,247.09)		
IHL Services Ltd	(784,759,818.36)			(784,759.82)	(784,759.82)		
Charles Hapton	245,499,370.00			245,499.37	245,499.37		
Due from Ikeja Hotel							556,047
AVI Services Ltd							31,122
GMI & Co.							113,188
Felfan Ltd							59,074
Due to Ikeja Hotel						(486,079)	
Long term investment							22,998
long term investment impairment							
Hansgremlin Ltd	486,048,260.67			486,048.26	486,048.26		
				-			
Share Capital	(1,039,398,200.00)			(1,039,398.20)	(1,039,398.20)	(389,944)	(100)
Share premium account	(1,381,071,880.31)			(1,381,071.88)	(1,381,071.88)	(5,537,203)	(737,057)
Retained Earnings (Openning)	(6,049,611,316.33)		1,271,699,839.00	(4,777,911.48)		176,539	
Retained Earnings (Accumulated)	10,290,512,638.42		(3,340,493,642.00)	6,950,019.00			
Replacement reserves	(1,791,936,369.92)		1,791,936,355.00	(0.01)			
LSH Current account	(7,854,577,353.71)			(7,854,577.35)	(5,682,469.85)		
Sheraton Corporation-basic fees				-			
-reservation				-			
-incentive fee				-			
Revenue - Room			(3,576,788,837.00)	(3,576,788.84)			
-Food & Beverage			(1,507,093,712.00)	(1,507,093.71)			
-Other Operated Department			(28,905,676.00)	(28,905.68)			
-Miscellaneous Income			(288,786,646.00)	(288,786.65)	(5,401,574.87)		
Cost: - Rooms			749,213,908.00	749,213.91			
- Food and Beverage			1,192,889,097.00	1,192,889.10			
- Other Operated Department			37,690,855.00	37,690.86	1,979,793.86		
Administrative & General			802,455,593.00	802,455.59			
Sales & Marketing			208,743,360.00	208,743.36			

<i>Info & Telecom System</i>			96,998,085.00	96,998.09				
<i>Property Operation & Maintenace (Repairs & Mtce)</i>			281,431,498.00	281,431.50				
<i>Utilities</i>			332,372,213.00	332,372.21				
<i>Other Expenses: - License Fee</i>			129,637,937.00	129,637.94				
<i>- Mgt Incentive Fee</i>				-				

DESCRIPTION	IHPLC NAIRA		SHERATON NAIRA	CONSOLIDATED NAIRA			
Rent			-	-			
Insurance			17,829,798.00	17,829.80			
Others				-	1,869,468.48		
Owners Expenses			68,834,694.00	68,834.69	68,834.69		
Replacement reserves	(324,094,490.85)		324,094,491.00	0.00	0.00		
City ledger	-			-	-		
Cost of sales	(14,673,718.22)			(14,673.72)	(14,673.72)		
Interest earned	(2,712,868.07)			(2,712.87)	(2,712.87)		
Other income	(34,762,009.15)			(34,762.01)			
Gain/Loss on disposal of assets	(9,749,665.72)			(9,749.67)	(44,511.67)		
Depreciation	254,874,402.79			254,874.40			
Amortisation	1,517,709.53			1,517.71	256,392.11		
Salaries & wages	53,935,786.58			53,935.79			
Medical	4,845,115.00			4,845.12			
Welfare & Meals	21,580,139.00			21,580.14			
DIVIDEND	62,363,891.97			62,363.89			
Pension contribution	4,725,919.48			4,725.92			
Travelling & transport	3,118,150.00			3,118.15			
Legal	7,000,000.00			7,000.00			
Office expenses				-			
Directors expenses	7,989,431.00			7,989.43			
Directors fees				-			
Rent & rates	7,353,401.09			7,353.40			
Advert & public relation	2,225,207.00			2,225.21			
Recruitment & Training	1,344,500.00			1,344.50			
Printing & stationery	1,776,500.00			1,776.50			
Repairs & maintenance	2,819,244.90			2,819.24			
Auto Repairs	1,040,310.00			1,040.31			
Communication	4,488,059.00			4,488.06			
Electricity	3,127,905.00			3,127.91			
Security	3,100,000.00			3,100.00			
Professional & Consultancy	68,756,354.99			68,756.35			
Insurance	12,357,527.77			12,357.53			
Subscription	3,871,956.71			3,871.96			
Bank charges	712,354.08			712.35			
Interest Charges	583,356,777.98			583,356.78			
Audit Fee		6,000,000.00		6,000.00			
AGM Expenses	8,982,945.00			8,982.95			
Gratuity				-	876,871.48		
Taxation	63,392,917.20	151,832,447.12		215,225.36			
Clearing account				-	215,225.36		
	0.06	-	-	0.00	8,184,067.12	-	-
	=====		=====	=====	=====		

SHERATON ACTIVITY JOURNAL SEPTEMBER 2019

Account	Description	JUNE	SEPTEMBER	3MONTH ACTIVITIES
101001	Petty Cash	1,060,089.00	1,986,478.00	926,389.00
101002	Operating Funds	3,027,736.00	3,027,736.00	-
110001	Managed Depository Cash	103,669,381.00	100,579,134.00	(3,090,247.00)
110104	Managed R-R Escrow	36,090,121.00	88,660,989.00	52,570,868.00
110110	MH-MGD - Bank Accounts	112,690,200.00	98,837,765.00	(13,852,435.00)
113001	Cash Clearing	-	-	-
113004	Intl Cash Clearing 1	(139,254,740.00)	(125,168,191.00)	14,086,549.00
115300	USD Operating Cash Account 1	308,352,081.00	229,988,553.00	(78,363,528.00)
115309	EUR Operating Cash Account 1	24,279,044.00	26,237,466.00	1,958,422.00
115310	GBP Operating Cash Account 1	7,811,401.00	9,905,161.00	2,093,760.00
115337	NGN Operating Cash Account 1	350,970,317.00	615,900,000.00	264,929,683.00
115400	USD Operating Cash Account 2	253,988,673.00	357,173,209.00	103,184,536.00
115402	AUD Operating Cash Account 2	458,850,000.00	581,400,000.00	122,550,000.00
115409	EUR Operating Cash Account 2	82,994,899.00	78,687,443.00	(4,307,456.00)
115410	GBP Operating Cash Account 2	1,164,456.00	1,059,515.00	(104,941.00)
115500	USD Operating Cash Account 3	80,695,639.00	107,162,509.00	26,466,870.00
115510	GBP Operating Cash Account 3	9,075,675.00	7,963,148.00	(1,112,527.00)
115600	USD Operating Cash Account 4	13,968,233.00	15,077,278.00	1,109,045.00
115700	USD Operating Cash Account 5	655,949,826.00	349,203,769.00	(306,746,057.00)
Cash and Equivalents		2,365,383,031.00	2,547,681,962.00	
133301	Owner Interco - Hotel	19,073,542.00	14,418,969.00	(4,654,573.00)
134101	AR Other -Lodging	257,110.00	257,110.00	-
134103	Mr-HGA Reim Receivable	(1,498,122.00)	(1,645,045.00)	(146,923.00)
134110	Non Credit Card Rec	671,813,339.00	980,180,003.00	308,366,664.00
134111	Credit Card Receivables	192,460,241.00	217,332,664.00	24,872,423.00
134121	Hotel Guest Ledger	71,956,157.00	43,229,980.00	(28,726,177.00)
134125	Cash Clearing ILO	-	373,200.00	373,200.00
134197	Gift Certificate Receivable	(17,999.00)	-	17,999.00
134704	Property Ins Receivable	1,113,248.00	1,113,248.00	-
136106	AR Miscellaneous	-	-	-
136111	AR Trade Unbilled	6,756,924.00	10,259,153.00	3,502,229.00
136340	AR- Refund	1,942,845.00	3,609,845.00	1,667,000.00
136363	Other Hotel AR	3,381,284.00	3,381,284.00	-
136455	Due To From Payroll Receiv	4,522,368.00	5,405,042.00	882,674.00
137101	Tax Receivables	34,063,157.00	56,467,056.00	22,403,899.00
139001	Allowance For Bad Debt	(18,414,121.00)	(20,458,531.00)	(2,044,410.00)
139703	Associate Wages Advances	2,214,084.00	3,904,122.00	1,690,038.00
Receivables Trade		989,624,057.00	1,317,828,100.00	
150106	Prepaid Rent	89,748,944.00	44,874,472.00	(44,874,472.00)
150108	Prepaid Dues	13,462,349.00	18,849,939.00	5,387,590.00
150123	Prepaid Insurance	22,395,163.00	12,872,163.00	(9,523,000.00)
153001	Prepaid Contracts Expense	-	-	-
153311	Prepaid Contracts	13,423,055.00	11,105,930.00	(2,317,125.00)
155101	Prepaid Expenses	10,896,644.00	-	(10,896,644.00)
155104	Prepaid Other	-	-	-
155515	Supplies - Ppd	90,266,777.00	126,426,736.00	36,159,959.00
Prepaid Assets		240,192,932.00	214,129,240.00	
140001	Food Inventory	43,071,899.00	42,357,305.00	(714,594.00)
140662	Beverage Inventory	12,966,370.00	10,694,836.00	(2,271,534.00)
144112	Linen Purchase	-	-	-
144114	Miscellaneous Supply Inv	-	-	-
146065	Tobacco Inv Cost	-	-	-
147011	China-Glass Inventory	18,706,548.00	17,174,757.00	(1,531,791.00)
149811	Miscellaneous Inventory	-	-	-
Other Current Assets		74,744,817.00	70,226,898.00	
Current Assets		3,669,944,837.00	4,149,866,200.00	
Property, Plant and Equipment		-	-	-
Property and Equipment Basis		-	-	-
Property, Plant and Equipment		-	-	-
Other Assets		-	-	-
195905	Other Miscellaneous Assets	4,205,850,436.00	3,758,175,972.00	(447,674,464.00)
Other Long Term Assets		4,205,850,436.00	3,758,175,972.00	
Other Assets		4,205,850,436.00	3,758,175,972.00	
Assets		7,875,795,273.00	7,908,042,172.00	
Liabilities		-	-	-
Oth Curnt Liab		-	-	-
210101	Trade Payables	-	-	-
210147	Operational AP others	(1,146,469.00)	(1,276,162.00)	(129,693.00)
212118	Operational AP	-	-	-
		-	-	-

Account	Description			
212170	FF&E Balance Forward	(2,202,662,823.00)	(2,413,084,081.00)	(210,421,258.00)
212176	FF&E Other Owner Funding	35,572,174,598.00	35,767,422,588.00	195,247,990.00
212179	FF&E Escrow Bank	-	11,022,833.00	11,022,833.00
213203	Accounts Payable PSAP	(131,534,610.00)	(94,099,446.00)	37,435,164.00
216901	Misc W-H Union Dues	(10,209,231.00)	(9,820,212.00)	389,019.00
217599	VAT Ready to Declare Pay	(22,108,111.00)	(20,931,626.00)	1,176,485.00
217751	Income Tax Payable	-	-	-
217754	Hotel Local Tax	(26,821,986.00)	(24,184,195.00)	2,637,791.00
219109	Gratuity Payable	(1,657,280,892.00)	(1,654,621,203.00)	2,659,689.00
219801	Bang Incent Payable	(46,572,528.00)	(43,073,718.00)	3,498,810.00
230233	Bonus Accrual Annual 1	(26,218,658.00)	(38,346,346.00)	(12,127,688.00)
230460	Vacation Accrual	(3,695,474.00)	(4,451,099.00)	(755,625.00)
236101	TCRF Property	-	-	-
236460	Hotel Payroll Accrual Account	(628,833.00)	(262,000.00)	366,833.00
240103	Payroll Withholding	-	(676,223.00)	(676,223.00)
240502	International Payroll Taxes	(18,805,176.00)	(19,030,709.00)	(225,533.00)
248001	General Accruals	(127,394,447.00)	(166,776,319.00)	(39,381,872.00)
248002	AP Period Accrual	(27,851,619.00)	(35,423,790.00)	(7,572,171.00)
248010	Property PSF Accrued Exp	(5,614,437.00)	(5,880,247.00)	(265,810.00)
248114	Accrued Mgrtit Fee Expense	(15,867,853.00)	(13,353,090.00)	2,514,763.00
248124	Accrued Mktg and Advertising	(7,984,480.00)	(7,850,625.00)	133,855.00
248125	Accrued Other	(4,503,659.00)	(6,718,781.00)	(2,215,122.00)
248135	Guest Refunds	1,168,902.00	(29,001.00)	(1,197,903.00)
248144	Charity Collection	(1,462.00)	(1,616.00)	(154.00)
248302	Professional Fees Accrual	-	-	-
252101	Unearned Income	(38,635,949.00)	(36,167,974.00)	2,467,975.00
254001	Advance Deposits	(405,740,403.00)	(451,025,883.00)	(45,285,480.00)
254201	Gift Certificate Redeemed	17,500.00	-	(17,500.00)
	Current Liabilities exci AHFS	30,792,081,900.00	30,731,361,075.00	
	Oth Curmt Liab	30,792,081,900.00	30,731,361,075.00	
	Long Term Liabilities	-	-	-
279900	Working Capital Advances	(3,340,493,642.00)	(2,892,819,178.00)	447,674,464.00
	Non-Current Liabilities	(3,340,493,642.00)	(3,340,493,642.00)	-
	Long Term Liabilities	(3,340,493,642.00)	(3,340,493,642.00)	-
	Liabilities	27,451,588,258.00	27,390,867,433.00	
	Equity	-	-	-
		-	-	-
		-	-	-
Account	Description			
292630	Owner Retained Earnings	(34,585,549,924.00)	(34,585,549,924.00)	
292633	Owner Distributions	(1,650,820.00)	(1,650,820.00)	-
	Historical RE	(34,587,200,744.00)	(34,587,200,744.00)	-
	RE	(34,587,200,744.00)	(34,587,200,744.00)	-
	Equity	(34,587,200,744.00)	(34,587,200,744.00)	-
	Income Statement	(590,381,603.00)	(1,159,383,321.00)	-
	Total Equity	(35,177,582,347.00)	(35,746,584,065.00)	
	Total Liabilities & Equity	(7,725,994,089.00)	(8,355,716,632.00)	
	Intercompany	-	-	-
	Net Balance Sheet	149,801,184.00	(447,674,460.00)	
				-
401000/SHT	ROOMS	(2,277,877,000.00)	(3,576,788,837.00)	(1,298,911,837.00)
401001/SHT	FOOD & BEV	(1,003,091,000.00)	(1,507,093,712.00)	(504,002,712.00)
401900/SHT	MISCELLANEOUS INCOME	(197,454,000.00)	(288,786,646.00)	(91,332,646.00)
401950/SHT	OTHER DEPTS.	(13,901,000.00)	(28,905,676.00)	(15,004,676.00)
501000/SHT	COST OF SALES - ROOMS	474,926,000.00	749,213,908.00	274,287,908.00
501001/SHT	COST OF SALES - FOOD & BEV	802,922,000.00	1,192,889,097.00	389,967,097.00
501950/SHT	COST OF SALES - OTHER DEPT	24,614,196.00	37,690,855.00	13,076,659.00
730000/SHT	COST OF SALES - ADMIN & GEN.	515,504,000.00	802,455,593.00	286,951,593.00
730001/SHT	COST OF SALES - SALES & MKT	133,969,000.00	208,743,360.00	74,774,360.00
730002/SHT	COST OF SALES - INFO & TECH	61,281,000.00	96,998,085.00	35,717,085.00
730003/SHT	COST OF SALES - PROPERTY OPE	194,080,000.00	279,711,020.00	85,631,020.00
730004/SHT	COST OF SALES - UTILITY	219,695,000.00	332,372,213.00	112,677,213.00
731000/SHT	COST OF SALES - BASE MGMT FEE	82,773,000.00	129,637,937.00	46,864,937.00
731003/SHT	COST OF SALES - INSURANCE	11,409,000.00	19,550,276.00	8,141,276.00
501900/SHT	COST OF SALES - MISCELLANEO	-	-	-
402000	FOREIGN EXCHANGE	21,428,000.00	68,834,694.00	47,406,694.00
740000	REPLACEMENT RESERVE	209,539,000.00	324,094,491.00	114,555,491.00