



IKEJA HOTEL PLC

(RC. 10845)

...Service par Excellence

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IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

Contents	Page
Corporate information	2
Certification of the financial statements	3
Report of the Directors	4
Statement of Directors' responsibilities in relation to the consolidated financial statements	9
Statement of corporate responsibility for the consolidated and separate financial statements	11
Report of the Statutory Audit Committee	12
Management's report on the effectiveness of Internal Control over Financial Reporting	13
Certification of management's assessment of Internal Control over Financial Reporting - MD	14
Certification of management's assessment of Internal Control over Financial Reporting - CFO	16
Independent Practitioner's Attestation Report on Internal Control over Financial Reporting	18
Independent Auditors' report	20
Consolidated and separate statement of financial position	22
Consolidated and separate statement of profit or loss and other comprehensive income	23
Consolidated and separate statement of changes in equity	24
Consolidated and separate statement of cash flows	25
Notes to the consolidated and separate financial statements	26
Other national disclosures:	
Statement of value added	61
Financial summary - Group	62
Financial summary - Company	63

IKEJA HOTEL PLC

Corporate Information

Country of Incorporation and Domicile:	Nigeria RC 10845	
Directors:	Chief Anthony Idigbe, SAN Mr Theophilus Eniola Netufo, FCA Mr. Toke Alex Ibru Mr. Ufuoma Ibru Ms. Ngozi Edozien Mr. Kunle Aluko Alhaji Abatcha Bulama, FCA Mrs. Kemi Adeoye, FCA	Independent Non-Executive Director - Chairman Managing Director/CEO Non-Executive Director Non-Executive Director Non-Executive Director - <i>Resigned effective 15 December 2025</i> Non-Executive Director Independent Non-Executive Director Non-Executive Director
Registered Office	84, Opebi Road Ikeja Lagos Tel: 02-2701060, 01-4480887 Website: www.ikejahotelplc.com Email: info@ikejahotelplc.com	
Company Secretaries:	OOT Nominees Limited (formerly Punuka Nominees Ltd) Plot 45 Oyibo Adjarho Street Off Ayinde Akinmade Street Off Admiralty Way Lekki Peninsula Phase 1, Lagos.	
Bankers:	Access Bank Plc Zenith Bank Plc Union Bank Plc Sterling Bank Plc Guaranty Trust Bank Plc First Bank of Nigeria Plc	
Joint Auditors:	Ahmed Zakari & Co (Chartered Accountants) 84B, Lafiaji Way Dolphin Estate Ikoyi-Lagos Novara Professional Services - (formerly Ugochukwu, Ike & Co) (Chartered Accountants) 1, Obalodu Street Ilupeju - Lagos.	
Registrars:	Greenwich Registrars and Data Solutions Limited 274, Murtala Muhammed Way Yaba Lagos Email: info@gtlregistrars.com	



Certification of Financial Statements

In compliance with Section 88(2) of the Investment and Securities Act, 2025, we have reviewed the audited Financial Statements of the Group for the year ended 31 December 2025.

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

The Financial Statements, and other financial information included therein, present fairly in all material respects the consolidated statement of financial position, consolidated statement of financial performance and consolidated statement of cash flows of the Group for the year ended 31 December 2025.

We are responsible for designing the internal controls and procedures surrounding the financial reporting process and assessing these controls in accordance with Section 88(2) of the Investment and Securities Act, 2025 and have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company is made known to us by others within the entity. The controls, which are properly prepared, have been operating effectively during the year under reference.

Based on the foregoing, we, the undersigned, hereby certify that to the best of our knowledge and belief, the information contained in the audited Financial Statements of Ikeja Hotel Plc for the year ended 31 December 2025 are complete, accurate and free from any material misstatement.

Theophilus E. Netufo
FRC/2013/PRO/DIR/003/00000004775
Managing Director/CEO
31 March 2026

Zacchaeus O. Adeyemo
FRC/2018/PRO/ICAN/001/00000017858
Chief Finance Officer
31 March 2026

IKEJA HOTEL PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors are pleased to submit to the members of Ikeja Hotel Plc (the "Group"), its report together with the audited financial statements for the year ended 31 December 2025.

1. Legal Status and principal activities

The Company was incorporated as Properties Development Limited on November 18, 1972 with a view to providing world class hotel and catering services to meet the needs of an ever-increasing number of local and international business and leisure travelers visiting the city of Lagos. The Company's name was later changed to Ikeja Hotel Limited in 1980 and though it became a public Company in 1983, it assumed its present name in February 5, 1991.

The Company's principal activity remains the development of hotel leisure facilities, operations of hotels and provision of catering services. The Company also owns majority shareholding in the following subsidiaries: Hans Gremlin Limited, Charles Hampton and Company Limited and IHL Services Limited. The financial statements of these subsidiaries has been consolidated with the Company's financial statements.

2. State of Affairs

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the years ahead.

Resulting from the above, the Directors have reasonable expectation that the Company possesses adequate resources to continue operations for the foreseeable future. Thus, the Directors have continued with the adoption of the going concern basis of accounting in preparing the annual financial statements.

3. Operating Result

	The Group		The Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
Revenue	25,842,867	18,753,850	25,842,867	18,753,850
Profit/(loss) before taxation	14,577,160	8,539,364	13,810,415	8,003,130
Tax charge	(635,964)	(1,339,670)	(308,644)	(1,118,966)
Profit/(loss) after taxation	13,941,196	7,199,694	13,501,770	6,884,164

4. Additions to property, plant and equipment

Additions to property, plant and equipment during the year ended 31 December 2025 for the Group and Company amounted to N1,095 billion and N1,095 billion respectively (31 December 2024: N607.4 million and N584.86 million respectively). Details of movements in property, plant and equipment for the Group and Company are shown on Notes 7.1 and 7.2 respectively of the financial statements.

5. Dividend

The Board of Directors propose a dividend of 30 kobo per 50 kobo ordinary share amounting to N648,710,348.10 on the existing issued ordinary shares of 2,162,367,827 units for the year ended 31 December 2025, which shall be presented to the shareholders for ratification at the next Annual General Meeting. Withholding tax at the applicable rate will be deducted at the time of payment.

During the year, interim dividend of 9 kobo per share was paid.

6. Directors and their interest

The Directors who held office for the year ended December 31, 2025, together with their direct and indirect interests in the issued share capital of the Company as recorded in the Register of Director's shareholding and/or as notified by the Directors for the purposes of sections 301 and 302 of the Companies and Allied Matters Act 2020 and the listing requirement of the Nigerian Stock Exchange are noted below:

	2025		2024	
	No. of shares held		No. of shares held	
	Direct	Indirect	Direct	Indirect
Mr Kunle Aluko (Aluko Moses)	60,000	-	60,000	-

IKEJA HOTEL PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

7. Substantial Shareholdings

As at 31 December 2025, no shareholder held more than 5% of the issued capital of the Company, except as stated below:

Name	No. of 50k shares	%
Oma Investments Ltd	558,846,088	25.84
Wagmest Nigeria Limited	180,148,768	8.33
Associated Ventures International Limited	155,183,927	7.18
Rutam Finance Company Limited (RFC)	152,410,464	7.05
Alurum Investment Limited	112,914,212	5.22
Next International Limited	108,531,428	5.02

8. Directors Responsibilities

The Directors accept responsibility for the preparation of the financial statements that gives a true and fair view in accordance with requirements of the International Financial Reporting Standards.

The Directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

9. Corporate Governance

The Directors are responsible for the corporate governance of the Company. The Financial Reporting Council of Nigeria released the Nigeria Code of Corporate Governance (NCCG) 2018 and required compliance by public interest entities. The Board has taken necessary steps to ensure yearly compliance by the Company with the requirements of the NCCG Code.

As at the day of this report, the Board consist of eight Directors. The Board meets regularly to decide on policy matters and direct the affairs of the Company. During these meetings, the Directors also review the Company's performance, operations and finances and set standards for the ethical conduct of the business.

* No meetings have been held since July 24, 2025. Following the orders and interim injunction granted by Hon Justice Lewis Allagoa dated July 18, 2025 in suit number FHC/L/MISC/760/2025 between Oma Investments Ltd & Anor v. Securities & Exchange Commission, the Coporate Affiars Commission and the Securities & Exchange Commission by letters dated July 24, 2025 directed the suspension of all statutory meetings of the Company in line with the court order.

The Directors who served during the year under review are;

Chief Anthony Idigbe, SAN	Independent Non-Executive Director - Chairman
Mr Theophilus Eniola Netufo, FCA	Managing Director/CEO
Alhaji Bulama Abatcha, FCA	Independent Non-Executive Director
Mr. Kunle Aluko	Non-Executive Director
Mrs. Kemi Adeoye	Non-Executive Director
Mr. Toke Alex- Ibru	Non-Executive Director
Mr. Ufuoma Ibru	Non-Executive Director
Ms. Ngozi Edozien***	Non-Executive Director

*** Resigned effectively 15 December 2025

The Board met five times during the year under review (January 24, 2025, March 20, 2025, April, 24, 2025, June 20, 2025, July 21, 2025) In accordance with Section 284(2) of the Companies and Allied Matters Act 2020, the record of directors' attendance at board meetings held during the financial year under review is set below:

Name	No. attended
Chief Anthony Idigbe SAN	5
Mr Theophilus Eniola Netufo (MD)	5
Alhaji Bulama Abatcha, FCA	5
Mr. Kunle Aluko	5
Ms. Ngozi Edozien***	3
Mr. Toke Alex- Ibru	5
Mrs. Kemi Adeoye	5
Mr. Ufuoma Ibru	5

*** Resigned effectively 15 December 2025

IKEJA HOTEL PLC

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2025**

IKEJA HOTEL PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

10. Remuneration policy

The Company has a Board-approved Remuneration Policy, which is reviewed periodically.

11. Risk management framework

The Board Finance, Risk and General-Purpose Committee oversees the effectiveness of the Company's risk management and internal controls and make recommendations to the Board.

12. Communication Policy

The Board has approved the Communication Policy and same is available on the Company's website. The policy establishes rules of communication, use of the Company's communication facilities, representation of the Company in the media and other third parties, and confidentiality of company information and procedures.

13. Human Resources Policy

(a.) Recruitment

The Company complied with all regulatory requirements in the employment of staff, whilst also ensuring that only fit and proper persons are approved for appointment to the Board or top management positions. All prescribed pre-employment screening for prospective employees and other requirements for regulatory confirmation of top management appointment were duly implemented.

(b.) Diversity and inclusion

The Company treats all employees, prospective employees and customers fairly and equally, regardless of their gender, sexual orientation, family status, race, color, nationality, ethnic or national origin, religious belief, age, physical or mental disability, or any such factor.

(c.) Employment of physically challenged persons

The Company operates a non-discriminatory policy in the consideration of applications for employment, including those received from physically challenged persons.

In the event that an employee becoming physically challenged in the course of employment, where possible, the Company is in a position to arrange appropriate training to ensure the continuous employment of such person without subjecting him/her to any disadvantage in his/her career development.

(d.) Employees' involvement and training

Employees are regularly provided with information on matters concerning the Company and their welfare. Management holds regular formal and informal meetings with Staff Unions resulting in cordial industrial relations throughout the year. Employees are given regular training on the job or in other hotels in the Sheraton group to equip them with the skills and knowledge required for the efficient performance of their duties.

14. Dealing in issuers' shares policy (continued) and insider information disclosure policy

In accordance with the Post-Listing Rules of the Nigerian Exchange Group, Ikeja Hotel Plc has in place a share dealing policy which regulates securities transactions by its Directors, Employees and other Insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy is to be communicated periodically to derive compliance. In respect of the year ended December 31, 2025, the Directors of Ikeja Hotel Plc hereby confirm that: The Company has a code of conduct regarding securities transactions by all Directors.

A specific enquiry of all Directors has been made during the reporting period and there is no incidence of noncompliance with the listing rules of the Nigerian Stock Exchange, and Ikeja Hotel Plc's code of conduct, regarding securities transactions by Directors. The Board also has an approved Insider Information Disclosure Policy which outline rules with respect to the proper use and disclosure of price sensitive information pertaining to the Company's securities.

15. Board Committees

The board for the year under review had three (3) standing committees, Finance, Risk and General Purpose Committee, Nominations Establishment Governance Committee, Statutory Audit Committee and one (1) adhoc

Finance, Risk and General Purpose Committee

The Finance, Risk and General-Purpose Committee Board met five times during the financial year (January 21, 2025, March 11, 2025, March 19, 2025, April 22, 2025, July 22, 2025). The record of directors' attendance at this committee meetings held during the financial year under review is set below:

IKEJA HOTEL PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

Finance, Risk and General-Purpose Committee members	No. attended
Alhaji Abatcha Bulama, FCA- (Chairman)	5
Mr. Toke Alex- Ibru	5
Mr. Ufuoma Ibru	5
Mrs. Kemi Adeoye	5
Ms. Ngozi Edozien***	4
*** Resigned effectively 15 December 2025	

Nominations, Establishment and Governance Committee

The Nominations Establishment Governance Committee Board met five times during the financial year (January 21, 2025, February 17, 2025, April 22, 2025, May 23, 2025, July 22, 2025). The record of directors' attendance at this committee meetings held during the financial year under review is set below:

	No. attended
Mrs. Kemi Adeoye - Chairman	5
Mr. Toke Alex- Ibru	5
Mr. Ufuoma Ibru	5
Mr. Kunle Aluko	5
Alhaji Abatcha Bulama	5
Ms. Ngozi Edozien***	5
*** Resigned effectively 15 December 2025	

16. Audit Committee

In accordance with Section 404(3) of the Companies and Allied Matters Act 2020, the Company has an Audit Committee comprising two non-executive directors and three representatives of the shareholders carrying out its function as set out in Section 404(7) of the Companies and Allied Matters Act 2020. The Audit Committee met four times during the year (January 21, 2025, March 19, 2025, April 22, 2025 July, 22, 2025). Those who served on the Audit Committee during the year under review and their attendance at the meetings are:

	No. attended
Alhaji Bulama Abatcha, FCA- (Chairman)	4
Alhaji Wahab A. Ajani	4
Mr. Adelakun Lukmon Adesola	4
Mr. Peter Eyanuku	4
Mr Toke Ibru	4

17. Company Distributors

The Company has no distributors.

18. Donations

Donations made by Company during the year was as follows:

	2025 N'000	2024 N'000
Child Care Centre for Disability	2,500	-
Bethesda Home for the blind	1,200	500
Cedem for Skill Acquisition program	-	750
	3,700	1,250

In compliance with the relevant provisions of the Companies and Allied Matters Act, 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose during the 2025 financial year. (2024: Nil)

19. Contractual arrangements

Details of a significant contractual arrangement entered into during the year are on note 45 of the financial statements.

20. Compliance with regulatory requirement

All regulatory requirements were complied with during the year under review. There was no contravention.

IKEJA HOTEL PLC

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2025

21. Auditors

Ahmed Zakari & Co and Novara Professional Services being Joint Auditors have indicated their willingness to continue in offices as the Company's Auditors in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020

BY ORDER OF THE BOARD



Olubunmi Tadema
FRC/2022/PRO/NBA/002/910787
OOT Nominees Ltd, FRC/2022/COY/160581
Company Secretary
31 March 2026

IKEJA HOTEL PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

In accordance with the provisions of the Companies and Allied Matters Act, 2020, the Directors are responsible for the preparation of consolidated and separate financial statements which give a true and fair view of the state of affairs of the Group at 31 December 2025 and of its profit or loss and other comprehensive income for the year then ended.

The responsibilities include ensuring that:

- i. The Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act.
- ii Appropriate and adequate internal controls are established to safeguard its assets and to prevent and detect fraud and other irregularities.
- iii The Group prepares its consolidated and separate financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates that are consistently applied.
- iv It is appropriate for the consolidated financial statements to be prepared on a going concern basis.

The Directors accept responsibility for the consolidated and separate financial statements which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in accordance with the International Financial Reporting Standards; in compliance with Financial Reporting Council of Nigeria (Amendment) Act, 2023 and in the manner required by the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the consolidated and separate financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended 31 December 2025.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of consolidated financial statements, as well as adequate systems of internal financial control.

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

Signed on behalf of the Board of Directors by:



Chief Anthony Idigbe, SAN
Chairman
FRC/2014/PRO/DIR/003/00000010414
31 March 2026



Alhaji. Abatcha Bulama, FCA
Director
FRC/2014/PRO/DIR/003/00000006535
31 March 2026

IKEJA HOTEL PLC

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

In accordance with Section 405 of the Companies and Allied Matters Act, 2020 and the Securities and Exchange Commission (SEC) requirement section 88 of Investments and Securities Acts, 2025, the Managing Director/Chief Executive Officer and the Financial Controller/Chief Finance Officer hereby certify that the officers who signed the audited consolidated and separate financial statements of the Group for the year ended 31 December 2025 have reviewed the audited consolidated and separated financial statements and based on their knowledge the:

- i. Audited consolidated and separate financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the financial statement misleading in light of the circumstances in which the statement was made.
- ii. Audited consolidated and separate financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for the periods covered by the audited financial statements.

We certify that the officers who signed the audited consolidated and separate financial statements:

- i. Are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company and its subsidiaries is made known to the officer by others officer of the company, particularly during the period in which the audited financial statement report is being prepared.
- ii. Have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited consolidated and separate financial statements.
- iii. Certify that the Group's internal controls are effective as of that date.

We further certify that the officers who signed the audited consolidated and separate financial statements have disclosed to the Group's external auditors and audit committee that:

There were no significant deficiencies or material weaknesses in the design or operation of the internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data.

There was no fraud that involved management or other employees who have significant roles in the Group's internal control.

We confirm that there were no changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation.

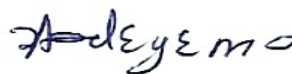


Theophilus E. Netufo

Managing Director

FRC/2013/PRO/DIR/003/00000004775

31 March 2026



Zacchaeus O. Adeyemo

Financial Controller/CFO

FRC/2018/PRO/ICAN/001/00000017858

31 March 2026

IKEJA HOTEL PLC

REPORT OF THE STATUTORY AUDIT COMMITTEE FOR THE YEAR ENDED 31 DECEMBER 2025

To the members of Ikeja Hotel Plc

In accordance with the provision of Section 404(7) of the Companies and Allied Matters Act, 2020 of Nigeria, the members of the Audit Committee of Ikeja Hotel Plc hereby report on the financial statements for the year ended 31 December 2025.

- 1 We review the scope and planning of audit requirements and were in our opinion adequate;
- 2 The accounting and reporting policies of the Group and company conformed with the statutory requirements and agreed with ethical practices;
- 3 We review the effectiveness of the company's system of accounting and internal control; and
- 4 We review the findings on management matters in conjunction with the external auditor and we are satisfied with management's responses to the external auditors' recommendations thereon ;



Alhaji Abatcha Bulama
FRC/2014/PRO/DIR/003/00000006535
Chairman, Audit Committee
31 March 2026

Members of the Audit Committee are:

- | | |
|---|-------------|
| 1 Alhaji Bulama Abatcha, FCA- (Chairman) - FRC/2014/PRO/DIR/003/00000006535 | Chairman |
| 2 Alhaji Wahab A. Ajani - FRC/2021/PRO/AUDITCOM/002/00000023641 | Shareholder |
| 3 Mr. Adelakun Lukmon Adesola - FRC/2022/PRO/AUDITCOM/002/662788 | Shareholder |
| 4 Mr. Peter Eyanuku - FRC/2021/PRO/OTHERS/002/00000024924 | Shareholder |
| 5 Mr Toke Ibru | Director |



Management's Annual Assessment of, and Report on, the Company's Internal Control over Financial Reporting for the year ended 31 December 2025

In compliance with the provisions of Securities and Exchange Commission (SEC) requirement for the controls over financial reporting section 89-91 of Investments and Securities Acts, 2025, we, the undersigned hereby make the following statements with respect to internal control over financial reporting of Ikeja Hotel Plc for the year ended 31 December 2025.

The management of Ikeja Hotel hereby report on internal control for the year ended 31 December 2025 thus:

- i That Ikeja Hotel Plc management is responsible for establishing and maintaining adequate system of internal control over financial reporting ("ICFR") that provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in line with International Financial Reporting Standards.
- ii That Ikeja Hotel plc adopted Committee of Sponsoring Organization of the treadway Commission (COSO) internal control-integrated framework to conduct the required evaluation of the effectiveness of the company's internal control over financial reporting;
- iii That Management of Ikeja Hotel Plc has assessed the effectiveness of the company's internal control over financial reporting (ICFR) as of the end of 31 December 2025 and that the internal control is effective. There are no material weaknesses in the internal control system of the company.
- iv Ikeja Hotel Plc external auditors, Messrs Ahmed Zakari & Co. and Novara Professional Services audited the financial statements and have issued an attestation report on management's assessment of the Company's internal control over financial reporting.

The attestation report of Messrs Ahmed Zakari & Co and Novara Professional Services that audited its financial statements will be filed as part of Ikeja Hotel Plc's annual report.

Theophilus E. Netufo

FRC/2013/PRO/DIR/003/00000004775

Managing Director/CEO

31 March 2026

Zacchaeus O. Adeyemo

FRC/2018/PRO/ICAN/001/00000017858

Chief Finance Officer

31 March 2026



**Certification of management's assessment on Internal Control over Financial Reporting
for the year ended 31 December 2025**

In compliance with the provisions of Securities and Exchange Commission (SEC) requirement for the controls over financial reporting section 89-91 of Investments and Securities Acts, 2025, I, the undersigned hereby make the following statements with respect to internal control over financial reporting of Ikeja Hotel Plc for the year ended 31 December 2025.

I, Theophilus E. Netufo (Managing Director) of Ikeja Hotel Plc certify that:

- a) I, the undersigned have reviewed this management assessment on internal control over financial reporting of Ikeja Hotel Plc
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) Ikeja Hotel Plc's other certifying officers and I:
 - 1) are responsible for establishing and maintaining internal controls
 - 2) 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, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared:
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's Joint auditors and the audit committee of the company's board of directors:
 - 1) That there were not significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

- 2) That there is no record of any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer and I have ascertain, that there were no significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation.



Theophilus E. Netufo

FRC/2013/PRO/DIR/003/00000004775

Managing Director/CEO



IKEJA HOTEL PLC

(RC. 10845)

...Service par Excellence

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Tel: 01-2701060, 01-4480887, 09164500103.

**Certification of management's assessment on Internal Control over Financial Reporting
for the year ended 31 December 2025**

In compliance with the provisions of Securities and Exchange Commission (SEC) requirement for the controls over financial reporting section 89-91 of Investments and Securities Acts, 2025, I, the undersigned hereby make the following statements with respect to internal control over financial reporting of Ikeja Hotel Plc for the year ended 31 December 2025.

I, Zacchaeus O. Adeyemo (Chief Finance Officer) of Ikeja Hotel Plc certify that:

- a) I, the undersigned have reviewed this management assessment on internal control over financial reporting of Ikeja Hotel Plc
- b) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- c) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
- d) Ikeja Hotel Plc's other certifying officers and I:
 - 1) are responsible for establishing and maintaining internal controls
 - 2) 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, and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared:
 - 3) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - 4) have evaluated the effectiveness of the company's internal controls and procedures as of a date within 90 days prior to the report and presented in this report our conclusions about the effectiveness of the internal controls and procedures, as of the end of the period covered by this report based on such evaluation.
- e) The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control system, to the company's Joint auditors and the audit committee of the company's board of directors:
 - 1) That there were no significant deficiencies and material weaknesses in the design or operation of the internal control system which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and

- 2) That there is no record of any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control system.
- f) The company's other certifying officer and I have ascertain, that there were no significant changes in internal controls or other facts that could significantly affect internal controls subsequent to the date of their evaluation.



Zacchaeus O. Adeyemo

FRC/2018/PRO/ICAN/001/00000017858

Chief Finance Officer

Independent Practitioner's Attestation Report
To the Shareholders of Ikeja Hotel Plc

Report on an assurance engagement performed on Management's assessment of internal control over financial reporting

Opinion

We have performed a limited assurance engagement on whether internal control over financial reporting of Ikeja Hotel Plc. ("the company") and its subsidiaries ("the group"), at 31 December 2025 is effective in accordance with the criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("the COSO Framework") and in accordance with FRC Guidance on Management Report on Internal Control Over Financial Reporting and the Securities and Exchange Commission (SEC) Guidance on the Management Report of internal control over financial reporting.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's internal control over financial reporting as of 31 December 2025 is not effective, in all material respects, in accordance with the criteria established in the COSO Framework and the Securities and Exchange Commission (SEC) Guidance on the Management Report of internal control over financial reporting.

Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

We have audited the consolidated and separate financial statements of Ikeja Hotel Plc in accordance with the International Standards on Auditing, and our report dated 31 March, 2026 expressed an unmodified opinion of those consolidated and separate financial statements. Our conclusion is not modified in respect of this matter.

Responsibilities for Internal Control over Financial reporting

The Board of Directors of Ikeja Hotel Plc is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on the Effectiveness of Internal Control over Financial Reporting. Our responsibility is to express a conclusion on the Group's internal control over financial reporting based on our assurance engagement.

Our responsibilities as auditors

The Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting ("the Guidance") requires that we plan and perform the assurance engagement and provide a limited assurance report on the Group's internal control over financial reporting based on our assurance engagement.

In this guidance "internal control over financial reporting" is defined as

Internal control over financial reporting is a process designed by the Company's executive and financial officers, or persons performing similar functions, and effected by the Board of Directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Acceptable Accounting Principals (GAAPs) and includes those policies and procedures that:

- i) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAPs and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company
- iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitation of internal control over financial reporting

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

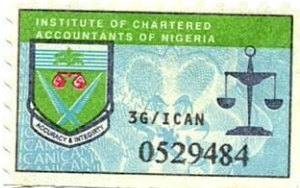
The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



Osayomi Olanrewaju, FCA
FRC/2018/PRO/ICAN/004/00000018916
For: Ahmed Zakari & Co.
(Chartered Accountants)
Lagos, Nigeria
31 March 2026



Omoniye Falaiye, FCA
FRC/2014/PRO/ICAN/004/00000007055
For: Novara Professional Services
(Chartered Accountants)
Lagos, Nigeria
31 March 2026



Independent Practitioner's Attestation Report
To the Shareholders of Ikeja Hotel Plc

Report on an assurance engagement performed on Management's assessment of internal control over financial reporting

Opinion

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Basis for opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB) and the Financial Reporting Council of Nigeria Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. Our responsibilities are further described in the "Our responsibilities" section of our report.

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We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

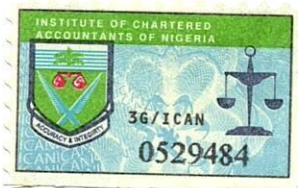
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Osayomi Olanrewaju, FCA
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For: Ahmed Zakari & Co.
(Chartered Accountants)
Lagos, Nigeria
31 March 2026



Omoniye Falaiye, FCA
FRC/2014/PRO/ICAN/004/00000007055
For: Novara Professional Services
(Chartered Accountants)
Lagos, Nigeria
31 March 2026



IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2025

		The Group		The Company	
		2025	2024	2025	2024
	Notes	N'000	N'000	N'000	N'000
Assets					
Non current assets					
Property, plant and equipment	7.	23,003,809	22,502,504	23,003,809	22,502,504
Capital work in progress	9.	721,060	478,122	721,060	478,122
Intangible asset	10.	12,434	14,676	12,434	14,676
Investment in subsidiaries	11.	-	-	4,444,518	4,444,518
Investment accounted for using the equity method	12.	-	-	798,722	798,722
		<u>23,737,303</u>	<u>22,995,302</u>	<u>28,980,543</u>	<u>28,238,542</u>
Current assets					
Inventories	14.	214,865	252,681	214,865	252,681
Trade receivables	15.	1,970,713	1,825,231	1,968,494	1,825,231
Other receivables and prepayments	16.	1,636,481	1,665,539	1,636,481	1,663,237
Loan to related party	17.	16,723,246	34,182,220	16,723,246	34,182,220
Amount due from related parties	18.	-	11,002	389,435	360,742
Cash and cash equivalents	19.	33,155,583	22,738,629	26,266,891	16,844,660
		<u>53,700,888</u>	<u>60,675,302</u>	<u>47,199,412</u>	<u>55,128,771</u>
Total assets		<u><u>77,438,191</u></u>	<u><u>83,670,604</u></u>	<u><u>76,179,955</u></u>	<u><u>83,367,313</u></u>
Equity and liabilities					
Share capital	20.	1,081,184	1,081,184	1,081,184	1,081,184
Share premium	21.	1,432,886	1,432,886	1,432,886	1,432,886
Retained earnings	22.	27,773,017	14,252,475	27,312,423	13,998,575
Capital reserve	23.2	1,832	1,832	-	-
Revaluation reserve	23.	13,823,793	13,823,793	13,823,793	13,823,793
Equity attributable to equity holders of the Parent		<u>44,112,712</u>	<u>30,592,170</u>	<u>43,650,286</u>	<u>30,336,438</u>
Non-controlling interest	25.	126,651	(37,140)	-	-
Total equity		<u>44,239,363</u>	<u>30,555,030</u>	<u>43,650,286</u>	<u>30,336,438</u>
Non-current liabilities					
Amount due to related parties	25.	2,800,767	12,404,541	3,572,506	13,176,821
Retirement benefit obligations	26.	253,147	328,831	253,147	328,831
Deferred tax	27.	369,952	3,038,598	369,952	3,038,598
Total non-current liabilities		<u>3,423,866</u>	<u>15,771,970</u>	<u>4,195,605</u>	<u>16,544,250</u>
Current liabilities					
Trade and other payables	28.	5,412,749	3,231,099	4,928,039	2,775,294
Deferred income	29.	20,528,005	32,903,157	20,137,976	32,760,902
Current tax payables	31.	3,834,208	1,209,348	3,268,049	950,429
Total current liabilities		<u>29,774,962</u>	<u>37,343,604</u>	<u>28,334,064</u>	<u>36,486,625</u>
Total liabilities		<u>33,198,828</u>	<u>53,115,574</u>	<u>32,529,669</u>	<u>53,030,875</u>
Total equity and liabilities		<u>77,438,191</u>	<u>83,670,604</u>	<u>76,179,955</u>	<u>83,367,313</u>

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

These consolidated and separate financial statements were approved and authorised for issue by the Board of Directors on 31 March 2026 and were signed on its behalf:

			
Chief Anthony Idigbe, SAN Chairman	Alh. Abatcha Bulama, FCA Director	Mr. Theophilus E. Netufo, FCA Managing Director/CEO	Mr. Zacchaeus O. Adeyemo Finance Controller/CFO

FRC/2014/PRO/DIR/003/00000010414

FRC/2014/PRO/DIR/003/00000006535

FRC/2013/PRO/DIR/003/00000004775

FRC/2018/PRO/ICAN/001/00000017858

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

		The Group		The Company	
	Notes	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Continuing operations					
Revenue from contract with customers	32.	25,842,867	18,753,850	25,842,867	18,753,850
Cost of sales	32.3.2	(13,445,450)	(11,182,432)	(13,445,450)	(11,182,432)
Gross profit/(loss)		12,397,417	7,571,418	12,397,417	7,571,418
Other income	33.	5,620,603	3,323,956	5,614,043	3,318,024
Sales and marketing expenses	34.1	(952,505)	(712,694)	(952,505)	(712,694)
Administrative expenses	34.2	(5,111,249)	(1,800,986)	(4,943,629)	(1,693,878)
Operating profit/(loss)	37.	11,954,266	8,381,694	12,115,327	8,482,870
Finance income	35.	2,622,894	1,486,728	1,695,088	849,318
Finance costs	36.	-	(1,329,058)	-	(1,329,058)
Profit/(loss) before tax		14,577,160	8,539,364	13,810,415	8,003,130
Income tax expense	31.2	(635,964)	(1,339,670)	(308,644)	(1,118,966)
Profit after tax		13,941,196	7,199,694	13,501,771	6,884,164
Interim dividend	22.1	-	(29,545)	-	-
Profit for the year		13,941,196	7,170,149	13,501,771	6,884,164
Profit/(loss) attributable to:					
Equity holders of the parent	22.	13,777,405	7,087,580	13,501,771	6,884,164
Non-controlling interest	24.	163,791	82,569	-	-
Profit/(loss) for the year		13,941,196	7,170,149	13,501,771	6,884,164
Other comprehensive income:					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Re-measurement of gain/(loss) on defined benefit plan net of tax	26.5	(2,486)	(19,964)	(2,486)	(29,481)
Revaluation surplus net of tax	23.1	-	-	-	-
Other comprehensive income for the year		(2,486)	(19,964)	(2,486)	(29,481)
Total comprehensive income for the year		13,938,710	7,150,185	13,499,285	6,854,683
Total comprehensive income for the year attributable to:					
Equity holders of the parent		13,774,919	7,067,615	13,499,285	6,854,683
Non-controlling interest		163,791	82,569	-	-
		13,938,710	7,150,184	13,499,285	6,854,683
Basic earnings per share (Kobo)		645	333	624	318

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

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group							
	Ordinary shares N'000	Share premium N'000	Retained earnings N'000	Capital reserve	Revaluation reserve	Total N'000	Non controlling interest N'000	Total equity N'000
Attributable to equity holders of the parent								
At 1 January 2024	1,081,184	1,432,886	7,366,734	1,832	13,823,793	23,706,429	(119,709)	23,586,720
Changes in equity for the year 2024								
<i>Comprehensive income for the year:</i>								
Profit for the year	-	-	7,087,580	-	-	7,087,580	82,569	7,170,150
Total Profit for the year	-	-	7,087,580	-	-	7,087,580	82,569	7,170,150
Re-measurement loss on defined benefit plans	-	-	(19,964)	-	-	(19,964)	-	(19,964)
Revaluation surplus net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	7,067,616	-	-	7,067,616	82,569	7,150,185
<i>Transactions with owners</i>								
Dividend paid	-	-	(181,875)	-	-	(181,875)	-	(181,875)
At 31 December 2024	1,081,184	1,432,886	14,252,475	1,832	13,823,793	30,592,170	(37,140)	30,555,030

Attributable to equity holders of the parent								
At 1 January 2025	1,081,184	1,432,886	14,252,475	1,832	13,823,793	30,592,170	(37,140)	30,555,030
Changes in equity for the year 2025								
<i>Comprehensive income for the year:</i>								
Profit for the year	-	-	13,777,405	-	-	13,777,405	163,791	13,941,197
Total Profit for the year	-	-	13,777,405	-	-	13,777,405	163,791	13,941,197
Re-measurement gain on defined benefit plans	-	-	(2,486)	-	-	(2,486)	-	(2,486)
Revaluation surplus net of tax	-	-	-	-	-	-	-	-
Total comprehensive income	-	-	13,774,920	-	-	13,774,920	163,791	13,938,711
<i>Transactions with owners</i>								
Dividend paid	-	-	(254,377)	-	-	(254,377)	-	(254,377)
At 31 December 2025	<u>1,081,184</u>	<u>1,432,886</u>	<u>27,773,017</u>	<u>1,832</u>	<u>13,823,793</u>	<u>44,112,712</u>	<u>126,651</u>	<u>44,239,364</u>

	The Company						
	Ordinary shares N'000	Share premium N'000	Retained earnings N'000	Capital reserve	Revaluation reserve	Total equity N'000	
Attributable to equity holders of the parent							
At 1 January 2024	1,081,184	1,432,886	7,306,070	-	13,823,793	23,643,933	
Changes in equity for the year 2024							
<i>Comprehensive income for the year:</i>							
Profit for the year	-	-	6,884,164	-	-	6,884,164	
Total Profit for the year	-	-	6,884,164	-	-	6,884,164	
Re-measurement loss on defined benefit plans	-	-	(29,481)	-	-	(29,481)	
Revaluation surplus net of tax	-	-	-	-	-	-	
Total comprehensive income	-	-	6,854,682	-	-	6,854,682	
<i>Transactions with owners</i>							
Dividend paid	-	-	(162,178)	-	-	(162,178)	
At 31 December 2024	<u>1,081,184</u>	<u>1,432,886</u>	<u>13,998,575</u>	<u>-</u>	<u>13,823,793</u>	<u>30,336,438</u>	
Attributable to equity holders of the parent							
At 1 January 2025	1,081,184	1,432,886	13,998,575	-	13,823,793	30,336,438	
Changes in equity for the year 2025							
<i>Comprehensive income for the year:</i>							
Profit for the year	-	-	13,501,771	-	-	13,501,771	
Total Profit for the year	-	-	13,501,771	-	-	13,501,771	
Re-measurement gain on defined benefit plans	-	-	(2,486)	-	-	(2,486)	
Revaluation surplus net of tax	-	-	-	-	-	-	
Total comprehensive income	-	-	13,499,286	-	-	13,499,286	
<i>Transactions with owners</i>							
Dividend paid	-	-	(185,437)	-	-	(185,437)	
At 31 December 2025	<u>1,081,184</u>	<u>1,432,886</u>	<u>27,312,422</u>	<u>-</u>	<u>13,823,793</u>	<u>43,650,285</u>	

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

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	The Group		The Company	
		2025 N'000	2024 N'000	2025 N'000	2024 N'000
Profit before tax		14,577,160	8,539,364	13,810,415	8,003,130
Adjustment for:					
Depreciation of property, plant and equipment	7.	592,924	409,612	592,924	409,612
Amortisation of intangible asset	10.	2,242	3,082	2,242	3,082
Post employment benefit expense	26.5	71,699	89,943	71,699	89,943
Interest on placements with banks	35.	(2,622,894)	(1,486,728)	(1,491,067)	(718,162)
Dividend received	35.	-	-	(204,021)	(131,156)
Finance cost and interest	36.	-	1,329,058	-	1,329,058
Adjustments in property, plant & equipment	7.	-	17,207	-	17,207
Adjustment in capital work in progress	9.	-	42,924	-	42,924
Gain on disposal of property, plant and equipment		-	(216)	-	(216)
Other adjustment		-	290	-	-
Impairment allowance/(written back)	15.1	278,064	87,518	278,064	87,518
Deferred income	29.	-	51,961	-	51,961
Net cash from operating activities before changes in working capital		12,899,196	9,084,015	13,060,256	9,184,900
Changes in working capital					
(Increase)/decrease in inventories	14.	37,816	(1,235)	37,816	(1,234)
Increase in trade receivables	15.	(423,546)	(885,968)	(421,327)	(888,148)
(Increase)/decrease in other receivables and prepayments	16.	29,058	(632,329)	26,756	(630,026)
(Increase)/decrease in related party loan	17.	117,000	(117,000)	-	(117,000)
(Increase)/decrease in due from related party	18.	11,002	(11,002)	(28,694)	(90,910)
Increase in trade and other payables	28.	2,181,649	790,545	2,152,745	857,323
Cash generated from operating activities		14,852,175	8,227,025	14,827,552	8,314,906
Income tax paid	31.	(690,906)	(355,911)	(670,826)	(346,475)
Post employment benefits paid	26.5	(128,713)	(225,640)	(128,713)	(225,640)
Net cash provided by operating activities		14,032,556	7,645,474	14,028,013	7,742,791
Cash flows from investing activities					
Purchase of property plant and equipment	7.	(1,015,495)	(425,518)	(1,015,495)	(425,517)
Additions to capital work in progress	9.	(322,496)	(411,409)	(322,496)	(411,409)
Purchase of intangible assets	10.	-	(300)	-	(300)
Proceed on disposal of property, plant and equipment		1,395	443	1,395	443
Interest received on unclaimed dividend		13,750	12,026	13,750	12,026
Dividend received	47.	-	-	204,021	131,156
Withholding tax on dividend		-	-	(20,402)	-
Interest on placements with banks	35.	2,622,894	1,486,728	1,491,067	718,162
Net cash used by investing activities		1,300,048	661,970	351,841	24,561
Cash flows from financing activities					
SEC approved restructuring	26.1	(4,662,207)	-	(4,772,186)	-
Dividend paid to shareholders		(185,437)	(181,875)	(185,437)	(162,178)
Dividend paid to non-controlling interests	22.1	(68,007)	(29,545)	-	-
Interest paid		-	(288)	-	(288)
Net cash used by financing activities		(4,915,651)	(211,708)	(4,957,623)	(162,466)
Net increase/(decrease) in cash and cash equivalents		10,416,953	8,095,736	9,422,231	7,604,887
Cash and cash equivalents at 1 January		22,738,629	14,642,893	16,844,660	9,239,774
Cash and cash equivalents at 31 December	19.	33,155,583	22,738,629	26,266,891	16,844,660

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. The Group

1.1 The Reporting Entity

1.1.1 The Group

The Group comprise Ikeja Hotel Plc. and its subsidiary - Hans Gremlin Limited, a special purpose vehicle which previously held controlling interest in the equity of Capital Hotels Plc, Charles Hampton and IHL Services Limited with 89.9% and 100% shareholdings respectively. Hans Gremlin Disposed a significant portion of its interest in Capital Hotels Plc during the year resulting in loss of control and with the latter ceasing to be a subsidiary in the Group.

1.2 The Company

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

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

1.3 Corporate office

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

1.4 Principal activities

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

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act, 2020, the Financial Reporting Council of Nigeria Act, 2011.

2.1 Functional and presentation currency

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

2.2 Going concern status

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

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries as at 31 December 2025. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using the same accounting policies.

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

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

3. Basis of measurement

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

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

4. Critical accounting estimates and judgement

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

4.1 Asset useful lives and residual values:

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

4.2 Taxes

- i Uncertainties exist with respect to the amount and timing of future taxable income. Given the complexities of existing contractual agreement, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The Company establishes provisions based on reasonable estimates.
- ii Deferred taxes are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

4.3 Provisions/contingencies

Provisions are liabilities of uncertain timing and are recognised when the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount that can be reliably estimated. Provisions are not recognised for future operating losses.

4.4 Impairment of financial assets

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

4.5 Retirement benefit obligation

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

4.6 Investment property

Investment properties are initially recognised at cost and subsequently carried at fair value. Fair values are based on the estimated market prices of similar assets within a designated area, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss. Investment properties are subject to renovations or improvements at regular intervals.

4.7 Impairment of inventory

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

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

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

5.1 Amendments effective from annual periods beginning after 1 January 2025

Standard	Related amendments	Effective date
IFRS 9, Financial instruments and IFRS 7, Financial instruments disclosures	Amendments to the Classification and Measurement of Financial	1 January 2026
IFRS 9, Financial instruments and IFRS 7, Financial instruments disclosures	Contracts referencing nature-dependent	1 January 2026
IFRS 18, Presentation and disclosure in financial statements	Replaces IAS 1 Presentation of Financial Statements	1 January 2027
IFRS 19, Subsidiaries without public accountability	Disclosures	1 January 2027

The Group/Company has not applied the following new or amended standards in preparing these financial statements as it plans to adopt these standards at their respective effective dates.

5.1.1 IFRS 9, Financial instruments and IFRS 7, Financial Instruments disclosures

The amendments modify the following requirements in IFRS 9 and IFRS 7:

- When a financial liability settled using an electronic payment system can be deemed to be discharged before the settlement date.
- How to assess the contractual cash flow characteristics of financial assets with contingent features when the nature of the contingent event does not relate directly to changes in basic lending risks and costs.
- New or amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

5.1 Amendments effective from annual periods beginning after 1 January 2025 (continued)

5.1.2 IFRS 9, Financial instruments and IFRS 7, Financial Instruments disclosures

(Contract referencing nature dependent electricity)

The amendments are intended to address challenges entities face in applying the own-use exemption to nature-dependent electricity, where fluctuations in volume can result in excess electricity being sold back to the market despite the contract being intended for an entity's own use.

The amendments clarify how an entity should apply the own-use exemption to contracts referencing nature-dependent electricity. They introduce specific factors that an entity must consider, including whether it is a net purchaser over a reasonable time frame. These contracts may qualify as own-use depending on the assessment of these specific factors.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

5.1.3 IFRS 18, Presentation and disclosure in financial statements

The amendment provide to replace IAS 1 Presentation of Financial Statements and sets out significant new requirements for how financial statements are presented, with particular focus on:

- The statement of profit or loss, including requirements for mandatory sub-totals to be presented. IFRS 18 introduces requirements for items of income and expense to be classified into one of five categories in the statement of profit or loss. This classification results in certain sub-totals being presented, such as the sum of all items of income and expense in the operating category comprising the new mandatory 'operating profit or loss' sub-total.
- Aggregation and disaggregation of information, including the introduction of overall principles for how information should be aggregated and disaggregated in financial statements.
- Disclosures related to management-defined performance measures (MPMs), which are measures of financial performance based on a total or sub-total required by IFRS Accounting Standards with adjustments made (e.g. 'adjusted profit or loss'). Entities will be required to disclose MPMs in the financial statements with disclosures, including reconciliations of MPMs to the nearest total or sub-total calculated in accordance with IFRS Accounting Standards.

5.1.4 IFRS 19, Subsidiaries without Public accountability

The amendment permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements in IFRS Accounting Standards

The eligibility criteria for an entity to apply IFRS 19 are:

- The entity is a subsidiary as defined in IFRS 10 Consolidated Financial Statements.
- The entity does not have public accountability; and
- The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

An entity has public accountability if:

- The entity does not have public accountability; and
- The entity has an ultimate or intermediate parent that produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

6. Summary of significant accounting policies

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

6.1 Investments in subsidiaries

The consolidated financial statements incorporates the financial statements of the company and all its subsidiaries where it is determined that there is a capacity to control. Control means the power to govern, directly or indirectly, the financial and operating policies of an entity so as to obtain benefits from its activities. All the facts of a particular situation are considered when determining whether control exists.

Control is usually present when an entity has:

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

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

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

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

6.1.1 Disposal investments in subsidiaries

A disposal of interest in a subsidiary is accounted for in the separate financial statements of the Company by derecognising the carrying amount of the portion disposed to the profit or loss account. Profit or loss on disposal is accounting for by the comparison of the fair value of the consideration less cost to sell with derecognised portion of the investment. The carrying amount of the investment retained is accounted for as an associate in accordance with IAS 28, Investment in Associates and Joint Ventures, if the Company retains some influence or as an equity investment in accordance with IFRS 9, Financial Instruments if control is lost. In the Group financial statements profit or loss on disposal is determined by aggregating fair value of the consideration less cost to sell, related non controlling interest derecognised to profit or loss and fair value of retained investment less related goodwill derecognised to profit or loss and fair value of the subsidiaries net asset derecognised to profit or loss.

6.2 Investments in associates

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

6.3 Investments in joint ventures

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

6.4 Investments in special purpose entities (SPEs)

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

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6.5 Business combinations

Business combinations are accounted for using the acquisition method. The consideration for acquisition is measured at the fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in order to obtain control of the acquiree (at the date of exchange). Costs incurred in connection with the acquisition are recognised in profit or loss as incurred. Where a business combination is achieved in stages, previously held interests in the acquiree are re-measured to fair value at the acquisition date (date the Group obtains control) and the resulting gain or loss, is recognised in profit or loss.

Adjustments are made to fair values to bring the accounting policies of acquired businesses into alignment with those of the Group. The costs of integrating and reorganising acquired businesses are charged to the post acquisition profit or loss. If the initial accounting is incomplete at the reporting date, provisional amounts are recorded. These amounts are subsequently adjusted during the measurement period, or additional assets or liabilities are recognised when new information about its existence is obtained during this period. Non-measurement period adjustments to contingent consideration(s) classified as equity are not remeasured.

Non-measurement period adjustments to other contingent considerations are remeasured at fair value with changes in fair value recognised in profit or loss. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

6.6 Property, plant and equipment (PPE)

Property, plant and equipment is stated at cost or revaluation, 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. During the year, the Company adopted the valuation model for the subsequent measurement of land.

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

6.6.1 Subsequent costs

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

6.6.2 Derecognition of property, plant and equipment (PPE)

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

6.6.3 Depreciation of property, plant and equipment (PPE)

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. Depreciation commences when an item of PPE is available for use.

The estimated useful lives are as follows:

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

6. Summary of significant accounting policies

6.6.3 Depreciation of property, plant and equipment

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

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

6.6.4 Revaluation of property, plant and equipment

When an item of property, plant and equipment is revalued, it is performed for all assets within the class or category. A surplus on revaluation is disclosed in equity through other comprehensive income. A decrease in the revaluation of an item or class of property, plant and equipment is recognised as an expense in profit or loss to the extent that it exceeds and any previously recognised revaluation surplus. On disposal of an asset previously revalued, related revaluation surplus on the asset is transferred directly to retained earnings. Revalued items of property, plant and equipment are depreciated using the rates specified in the group's accounting policy for those class of assets.

6.7 Intangible assets

These comprise computer software and goodwill. Intangible assets excluding goodwill is stated at cost, less accumulated amortisation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount the intangible asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

6.7.1 Amortisation of intangible assets

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

• Computer Software - 10 years

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

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

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. Summary of significant accounting policies (continued)

6.7.2 Intangible assets acquired separately

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

6.7.3 De-recognition of Intangible Assets

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

6.7.4 Intangible assets generated internally

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

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

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

6.7.5 Goodwill

Goodwill on acquisitions comprises the excess of the aggregate of the fair value of the consideration transferred, the fair value of any previously held interests, and the recognised value of the non-controlling interest in the acquiree over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested for impairment annually. Impairment loss is recognized in the profit or loss account.

6.8 Impairment of non financial assets

The Group assesses annually whether there is any indication that any of its assets have been impaired. If such indication exists, the asset's recoverable amount is estimated and compared to its carrying value. Where it is impossible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the smallest cash-generating unit to which the asset is allocated. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount an impairment loss is recognized immediately in profit or loss, unless the asset is carried at a revalued amount, in which case the impairment loss is recognized as revaluation decrease. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

6.9 Investment property

The Group designates an asset (land or building) an investment property if it is:

- Held for long term capital appreciation.
- Held for a currently undetermined future use.
- A building leased out under an operating lease.
- A vacant building held to be leased out under an operating lease.
- A property being constructed or developed for future use as an investment property.

On initial recognition, the Group measures investment properties at cost and subsequent measurement at fair value. Investment property is subjected to periodic reviews. Gains or losses arising from fair value measurements are included in profit or loss for the period in which they arise. Assets are derecognised from investment property and reclassified to other asset categories when there is a change in use of the investment property.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replacement components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred. On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

6.10 Non current assets held for sale

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

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

6.10.1 Reclassifications

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

6.11 Financial instruments

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

6.11.1 Financial assets

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

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

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

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. Summary of significant accounting policies (continued)

6.11.1 Financial assets

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

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

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are de-recognised or impaired, and through the amortisation process.

Equity investments are measured at fair value in the statement of financial position, with value changes recognised in profit or loss, except for those equity investments for which the Company has elected to present value changes in 'other comprehensive income' without any cost exception for unquoted equities. Where an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at FVTOCI with only dividend income recognised in profit or loss.

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

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

6.11.2 Recognition and measurement

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

Financial assets are initially recognized at fair value plus, in the case of all financial assets not carried at fair value through profit or loss, transaction costs that are directly attributable to their acquisition. Financial assets carried at fair value through profit or losses are initially recognized at fair value, and transaction costs are expensed in the income statement.

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

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

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

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

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

6.11.3 Reclassifications

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

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

6.11.4 Impairment of financial assets

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

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

- a. General approach
- b. Simplified approach

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

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

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

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

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. Summary of significant accounting policies (continued)

6.11.5 Financial liabilities

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

6.11.6 Interest bearing borrowings

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

6.11.7 Offsetting financial instruments

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

6.11.8 Cash and cash equivalents

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

6.11.9 Non-derivative financial liabilities

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

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

The Group has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

6.11.10 Equity instruments

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

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

6.12 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

6.13 Borrowing costs

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

6.14 Trade payables

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

6.15 Bank overdrafts and interest-bearing borrowings

Bank overdrafts and interest-bearing borrowings are recognised initially at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability.

6.16 Employee benefits

6.16.1 Defined contribution plans

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

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

6.16.2 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.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. Summary of significant accounting policies (continued)

6.16.2 Defined benefit plan

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.

6.16.3 Termination benefits

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

6.16.4 Short-term employee benefits

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

6.17 Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

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

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

6.18 Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

6.19 Revenue from contract with customers

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

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

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

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

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

6.20 Leases

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

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

- There is an identifiable asset in the contract.
- The customer has the right to control the use of the asset throughout the period of the lease in exchange for a consideration to the supplier.

- The customer has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use.

- The supplier does not have a substantive right to substitute the use of the asset throughout the period of use of the asset.

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

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

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

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

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

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. Summary of significant accounting policies (continued)

6.20 Leases

Management has opted to exempt rental payments for its office as they are of a short term nature and not considered material. Also the Group has not entered into any lease contract where it is the lessor. Amendments to IFRS 16, Covid 19 Related Rent Concessions are not applicable to the Company.

6.21 Investment return

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

6.22 Dividend distributions

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

6.23 Unclaimed dividend

Under the Finance Act, 2020 unclaimed dividends after a period of six years shall be transferred to the Unclaimed Dividend Trust Fund and shall become a special debt owed by the Federal Government to the relevant shareholders and claimable by the shareholders at anytime.

6.24 Related parties

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

- The entity and the Group are members of the same group. Holding company and subsidiary relationship.
- The entity is a joint venture or associate of the Group or the entity is a joint venture or associate of another member of the Group.
- The Group is controlled by the entity or person.
- The entity or the person has significant influence over the Group.
- The person is a key management personnel of the Group.
- The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

The Group discloses transactions with related parties which includes the:

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

The Group discloses the following information regarding key management personnel

- Short term employee benefits
- Post employment benefit

6.25 Taxation

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

6.26 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 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.

6.27 Earnings per share

The Group presents basic earnings per share for its ordinary shares. Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Group by the number of shares outstanding during the year. Adjusted earnings per share is determined by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shareholders adjusted for the bonus shares issued.

6.28 Share capital

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

6.29 Segment Reporting

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

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

6. Summary of significant accounting policies (continued)

6.30 Finance income and finance costs

6.30.1 Finance income

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

6.30.2 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.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

7. Property, plant and equipment

	Land N'000	Building N'000	Hotel equipment N'000	Office equipment furniture and fittings N'000	Computer equipment N'000	Motor vehicles N'000	Total N'000
7.1 The Group							
Cost/Revaluation							
At 1 January 2024	18,444,120	5,047,689	2,551,404	261,147	468,317	101,753	26,874,430
Additions in the year	-	20,597	152,014	4,057	248,849	-	425,517
Reclassifications**	-	181,884	-	-	-	-	181,884
Revaluation surplus***	-	-	-	-	-	-	-
Adjustments****	-	-	(41,418)	-	-	-	(41,418)
Disposals during the year	-	-	-	-	(20,825)	-	(20,825)
At 31 December 2024	18,444,120	5,250,170	2,662,000	265,204	696,341	101,753	27,419,588
At 1 January 2025	18,444,120	5,250,170	2,662,000	265,204	696,341	101,753	27,419,588
Additions in the year	-	24,844	827,000	18,085	112,567	32,999	1,015,495
Reclassification**	-	79,558	-	-	-	-	79,558
Adjustments****	-	-	-	-	-	-	-
Disposals during the year	-	-	(3,193)	(894)	-	-	(4,087)
At 31 December 2025	18,444,120	5,354,572	3,485,807	282,395	808,908	134,752	28,510,554
Depreciation							
At 1 January 2024	-	1,615,657	2,229,956	212,841	382,042	63,363	4,503,859
Charge for the year	-	208,164	93,475	9,073	79,948	18,952	409,612
Eliminated on disposal	-	-	-	-	(20,598)	-	(20,598)
Adjustments	-	6,471	12,644	47	4,998	51	24,211
At 31 December 2024	-	1,830,292	2,336,075	221,961	446,390	82,366	4,917,084
At 1 January 2025	-	1,830,292	2,336,075	221,961	446,390	82,366	4,917,084
Charge for the year	-	256,420	162,654	10,600	136,934	26,316	592,924
Adjustments	-	-	-	(2,369)	(894)	-	(3,263)
At 31 December 2025	-	2,086,712	2,498,729	230,192	582,430	108,682	5,506,745
Carrying amount							
At 31 December 2024	18,444,120	3,419,878	325,925	43,243	249,951	19,387	22,502,504
At 31 December 2025	18,444,120	3,267,860	987,078	52,203	226,478	26,070	23,003,809

** Reclassification to building represent completed renovation work on the Group Building moved from Capital Work In Progress. The adjustment is reported in Note 9, Capital work in progress.

*** Leasehold land and buildings were professionally valued by Messrs. Knight Frank (Valuers & Surveyors) FRC/2013/0000000000584 using the open market basis on 31 December 2023. The arising revaluation surplus is recognised in revaluation reserve through other comprehensive income. The valuation report was signed by Mr. Sunny Akpodigog, FRC/2013/NIESV/00000000655. The carrying amount of land if it were to be carried at cost is N3.084 billion.

**** In the prior period, a physical inspection exercise and subsequent reconciliation of the Company's property, plant and equipment resulted in adjustments to their carrying amounts. The net adjustment is reported in Note 34.2, Administrative expenses as assets write offs.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

7. Property, plant and equipment (continued)

	Land N'000	Building N'000	Hotel equipment N'000	Office Furniture fittings and equipment N'000	computer equipment N'000	Motor vehicles N'000	Total N'000
7.2 The Company							
Cost							
At 1 January 2024	18,444,120	5,046,956	2,545,714	257,915	466,665	92,618	26,853,988
Additions in the year	-	20,597	152,014	4,057	248,849	-	425,517
Reclassifications**	-	181,884	-	-	-	-	181,884
Adjustments****	-	-	(41,418)	-	-	-	(41,418)
Disposals during the year	-	-	-	-	(20,825)	-	(20,825)
At 31 December 2024	18,444,120	5,249,437	2,656,310	261,972	694,689	92,618	27,399,146
At 1 January 2025	18,444,120	5,249,437	2,656,310	261,972	694,689	92,618	27,399,146
Additions in the year	-	24,844	827,000	18,085	112,567	32,999	1,015,495
Reclassifications**	-	79,558	-	-	-	-	79,558
Adjustments****	-	-	-	-	-	-	-
Disposals during the year	-	-	-	(3,193)	(894)	-	(4,087)
At 31 December 2025	18,444,120	5,353,839	3,483,310	276,864	806,362	125,617	28,490,112
Depreciation							
At 1 January 2024	-	1,614,924	2,224,266	209,609	380,390	54,228	4,483,417
Charge for the year	-	208,164	93,475	9,073	79,948	18,952	409,612
Adjustments	-	6,471	12,644	47	4,998	51	24,211
Eliminated on disposal	-	-	-	-	(20,598)	-	(20,598)
At 31 December 2024	-	1,829,559	2,330,385	218,729	444,738	73,231	4,896,642
At 1 January 2025	-	1,829,559	2,330,385	218,729	444,738	73,231	4,896,642
Charge for the year	-	256,420	162,654	10,600	136,934	26,316	592,924
Adjustments	-	-	-	-	-	-	-
Eliminated on disposal	-	-	-	(2,369)	(894)	-	(3,263)
At 31 December 2025	-	2,085,979	2,493,039	226,960	580,778	99,547	5,486,303
Carrying amount							
At 31 December 2024	<u>18,444,120</u>	<u>3,419,878</u>	<u>325,925</u>	<u>43,243</u>	<u>249,951</u>	<u>19,387</u>	<u>22,502,504</u>
At 31 December 2025	<u>18,444,120</u>	<u>3,267,860</u>	<u>990,271</u>	<u>49,904</u>	<u>225,584</u>	<u>26,070</u>	<u>23,003,809</u>

** Reclassification to building represent completed renovation work on the company's building moved from Capital work in progress. The adjustment is reported in Note 9, Capital work in progress.

*** Leasehold land and buildings were professionally valued by Messrs. Knight Frank (Valuers & Surveyors) FRC/2013/0000000000584 using the open market basis on 31 December 2023. The arising revaluation surplus is recognised in revaluation reserve through other comprehensive income. The valuation report was signed by Mr. Sunny Akpodiogag, FRC/2013/NIESV/000000000655. The carrying amount of land if it were to be carried at cost is N3.084 billion.

**** In the prior period, a physical inspection exercise and subsequent reconciliation of the Company's property, plant and equipment resulted in adjustments to their carrying amounts. The net adjustment is reported in Note 34.2, Administrative expenses as assets write offs.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
8. Investment Property				
Valuation				
At 1 January	4,630,087	4,630,087	4,630,087	4,630,087
Additions	-	-	-	-
At 31 December	4,630,087	4,630,087	4,630,087	4,630,087
Impairment				
At 1 January	4,630,087	4,630,087	4,630,087	4,630,087
Charge	-	-	-	-
At 31 December	4,630,087	4,630,087	4,630,087	4,630,087
Carrying amount	-	-	-	-
Investment property 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 is measured using the fair value model.				
Impairment allowance arose from a notice of revocation of the company's certificate of occupancy on the investment property by the Lagos State Government. Further explanatory notes are on Note 43.2.				
9. Capital work in progress				
At 1 January	478,122	291,521	478,122	291,521
Additions in the year	322,496	411,409	322,496	411,409
Reversal	-	(42,924)	-	(42,924)
Reclassification	(79,558)	(181,884)	(79,558)	(181,884)
At 31 December	721,060	478,122	721,060	478,122
This represents on going renovation work on the Group's property.				
10. Intangible asset				
10.1 Computer software				
Cost				
At 1 January	42,657	42,357	42,657	42,357
Additions in the year	-	300	-	300
At 31 December	42,657	42,657	42,657	42,657
Amortization				
At 1 January	27,981	24,899	27,981	24,899
Charge for the year	2,242	3,082	2,242	3,082
At 31 December	30,223	27,981	30,223	27,981
Carrying amount	12,434	14,676	12,434	14,676

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

		The Company	
		2025	2024
		N'000	N'000
11. Investment in subsidiaries			
	Hans Gremlin Nigeria Limited	4,440,919	4,440,919
	IHL Services Limited	100	100
	Charles Hampton and Company Limited	3,499	3,499
		4,444,518	4,444,518

Investments in subsidiaries are eliminated on consolidation of the financial statements of the subsidiaries with the holding company.

11.1 Subsidiaries undertakings

All shares in subsidiaries undertakings are ordinary shares

		Country of incorporation	Proportion of ownership
Subsidiaries			
**	Hans Gremlin Nigeria Limited	Nigeria	75%
***	IHL Services Limited	Nigeria	100%
****	Charles Hampton & Company Limited	Nigeria	89.9%

Nature of subsidiaries' business

**	Special purpose vehicle.
***	Advisory and consultancy services to undertake advisory management on all types of businesses.
****	To carry on business as an investment company amongst others.

11. Investment in subsidiaries (continued)

11.2 The summary of the operational results of the subsidiary companies are as follows:

	Hans-Gremlin Nigeria Limited N'000	IHL Services Limited N'000	Charles Hampton and Company Limited N'000
31 December 2025			
Gross revenue	1,131,135	692	6,560
Profit/(loss) for the year	662,965	578	(19,311)
Total assets	6,884,441	1,002,741	3,295
Total liabilities	933,196	40,547	748,238
Equity	5,951,245	962,194	(744,943)

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	Hans-Gremlin Nigeria Limited N'000	IHL Services Limited N'000	Charles Hampton and Company Limited N'000
31 December 2024			
Gross revenue	768,566	-	5,932
(Loss)/profit after tax	447,563	(115,008)	(759)
Total assets	5,889,838	1,002,050	3,956
Total liabilities	328,596	40,435	729,588
Equity	5,561,242	961,615	(725,632)

12. Investment in associate company accounted for using the equity method

The Company holds 12.18% interest in its associate company, Tourist Company of Nigeria (TCN). The terms of the contractual arrangement confers on Ikeja Hotel Plc the right to participate in the strategic operating and financial decisions of TCN, making TCN an associate company of Ikeja Hotel Plc. Therefore, Ikeja Hotel Plc's investment in TCN is accounted for using the equity method.

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
12.1 Analysis of investment in associate company				
Gross carrying amount	798,722	798,722	798,722	798,722
Accumulated share of loss in associate company	(798,722)	(798,722)	-	-
	-	-	798,722	798,722
13. Investment in unquoted entities				
ICON Stockbroker	7,421	7,421	7,421	7,421
A. Savoia Ltd	2,571	2,571	2,571	2,571
Felfan	13,005	13,005	13,005	13,005
	22,997	22,997	22,997	22,997
Impairment allowance	(22,997)	(22,997)	(22,997)	(22,997)
	-	-	-	-
14. Inventory				
Food and beverages	156,947	201,178	156,947	201,178
Operating supplies	57,918	51,503	57,918	51,503
Work in progress	472,979	472,979	-	-
	687,844	725,660	214,865	252,681
Less: allowance for impairment	(472,979)	(472,979)	-	-
	214,865	252,681	214,865	252,681

As at the reporting dates, the carrying amount of the inventory were at cost and were lower than their net realisable values. The allowance for impairment relates to works in progress in the investment property in Charles Hampton & Company Limited.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
15. Trade receivables				
Gross carrying amount	2,361,685	1,938,139	2,359,466	1,938,139
Allowances for expected credit losses	(390,972)	(112,908)	(390,972)	(112,908)
Carrying amount	1,970,713	1,825,231	1,968,494	1,825,231
15.1 Movement in impairment allowance for trade receivables:				
At 1 January	112,908	25,390	112,908	25,390
Charge for the year	286,232	87,518	286,232	87,518
Write back of impairment allowance (Note 34)	(8,167)	-	(8,167)	-
	390,973	112,908	390,973	112,908

Additional impairment allowance is recognized in cost of sales. Write back of impairment allowance is recognized in other income. Further notes on trade receivables impairments are shown on note 47.2.2

Trade and other receivables are stated at their original invoiced value as the interest that would be recognised from discounting future cash receipts over the short period is not considered to be material.

	The Group		The Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
16. Other receivables and prepayments				
Withholding tax receivable	472,386	574,624	472,386	574,624
Advances to suppliers	897,835	859,288	897,835	856,986
	1,370,221	1,433,912	1,370,221	1,431,610
Prepayments (Note 16.1)	266,260	231,627	266,260	231,627
	1,636,481	1,665,539	1,636,481	1,663,237
16.1 Prepayments				
Rent	3,333	4,357	3,333	4,357
Dues and subscription	2,758	2,206	2,758	2,206
Insurance	195,826	186,729	195,826	186,729
Staff benefit	13,684	-	13,684	-
Intranet resources	24,885	38,335	24,885	38,335
Contracts	25,774	-	25,774	-
	266,260	231,627	266,260	231,627

	The Group			The Company		
	2025	2025	2024	2025	2025	2024
	\$'000	N'000	N'000	\$'000	N'000	N'000
17. Loan to related party						
At 1 January	22,188	34,182,220	20,126,474	22,188	34,182,220	20,126,474
Unrealised exchange difference	-	-	13,938,746	-	-	13,938,746
Loan- Naira denominated (TCN)	-	-	117,000	-	-	117,000
Loan repayment	-	(117,000)	-	-	(117,000)	-
SEC 40% - approved discount	(8,875)	(17,341,974)	-	(8,875)	(17,341,974)	-
At 31 December	13,313	16,723,246	34,182,220	13,313	16,723,246	34,182,220

During the year, the Tourist Company of Nigeria Plc (TCN) repaid back the facility granted.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

17. Loan to related party (continued)

Terms of the above loan:

- They are unsecured.
- Repayment is subject to the board of director's discretion, taking into account the availability of funds and the company's working capital requirements.
- The loan is denominated in US Dollar.

18. Amount due from related parties

Hans Gremlin Nigeria Limited

Charles Hampton Limited

AVIS - Current Account

GMI & Co

Felfan Limited

Federal Palace Hotel

Impairment allowance (Note 18.1)

The Group		The Company	
2025	2024	2025	2024
N'000	N'000	N'000	N'000
-	-	116,596	80,598
-	-	272,839	269,142
31,122	31,122	-	-
113,188	113,188	-	-
59,074	59,074	-	-
-	11,002	-	11,002
203,384	214,386	389,435	360,742
(203,384)	(203,384)	-	-
-	11,002	389,435	360,742

18.1 Movement in impairment Allowance

At 1 January

At 31 December

203,384	203,384	-	-
203,384	203,384	-	-

19. Cash and cash equivalents

19.1 Cash and cash equivalents comprise:

Cash in hand

Cash at bank

Fixed deposits (Note 20.2)

The Group		The Company	
2025	2024	2025	2024
N'000	N'000	N'000	N'000
6,715	5,642	4,474	4,096
23,730,286	16,679,538	23,710,804	16,588,780
23,737,001	16,685,180	23,715,278	16,592,876
9,418,582	6,053,449	2,551,613	251,784
33,155,583	22,738,629	26,266,891	16,844,660

19.2 Fixed deposits

These are short term placements with banks in Nigeria

9,418,582	6,053,449	2,551,613	251,784
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20. Share capital

20.1 Issued and fully paid

At 1 January: 2,162,367,827 ordinary shares of 50 kobo each

Transfer from deposit for shares

At 31 December: 2,162,367,827 ordinary shares of 50 kobo each

1,081,184	1,081,184	1,081,184	1,081,184
-	-	-	-
1,081,184	1,081,184	1,081,184	1,081,184

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

20. Share capital (continued)

20.2 Free float status

Ikeja Hotel Plc with free float shareholdings valued at N33,035,340,186 as at 31 December 2025, comprising 36.5% of the total shareholding structure is in compliant with Nigerian Stock Exchange requirements (31 December 2024: N8,869,870,575 - 36.5%).

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
21. Share premium				
At 1 January	1,432,886	1,432,886	1,432,886	1,432,886
Premium on additional shares issued and allotted	-	-	-	-
At 31 December	1,432,886	1,432,886	1,432,886	1,432,886
22. Retained earnings				
At 1 January	14,252,475	7,366,734	13,998,575	7,306,070
Profit/(loss) attributable to the owners of the company	13,777,405	7,087,580	13,501,771	6,884,164
Dividend paid (N22.2)	(254,377)	(181,875)	(185,437)	(162,178)
Re-measurement gain/(loss) on defined benefit plan	(2,486)	(19,964)	(2,486)	(29,481)
At 31 December	27,773,017	14,252,475	27,312,423	13,998,575
Interim dividend	68,007	29,545	-	-

22.1 Current year's dividend paid comprise interim dividend of 9k per 50k ordinary shares paid by Ikeja Hotel Plc and interim dividend paid by Hans Gremlin Limited to shareholders outside the group. The gross amount of N204.38 million attributable to Ikeja Hotel Plc, included in dividend paid by Hans Gremlin Limited has been eliminated on consolidation.

22.2 Distributions proposed

22.2.1 The Board of Directors propose a dividend of 30 kobo per 50 kobo ordinary share amounting to N648,710,348.10 on the existing issued ordinary shares of 2,162,367,827 units for the year ended 31 December 2025, which shall be presented to the shareholders for ratification at the next Annual General Meeting. Withholding tax at the applicable rate will be deducted at the time of payment.

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
23. Reserves				
23.1 Revaluation reserve				
Analysis of revaluation reserve:				
At 1 January	13,823,793	13,823,793	13,823,793	13,823,793
At 31 December	13,823,793	13,823,793	13,823,793	13,823,793

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

23. Reserves (continued)

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
23.2 Capital reserve				
At 1 January	1,832	1,832	-	-
At 31 December	1,832	1,832	-	-
24. Non controlling interest				
At 1 January	(37,140)	(119,709)	-	-
Share of comprehensive income for the year	163,791	82,569	-	-
At 31 December	126,651	(37,140)	-	-
25. Amount due to related parties				
IHL Services Limited	-	-	771,739	772,280
Alurum Investment Ltd/Omamo Trust Limited	-	6,115,146	-	6,115,146
Minabo Limited	2,145,978	3,576,631	2,145,978	3,576,631
Associated Ventures International Limited	654,789	2,712,764	654,789	2,712,764
	2,800,767	12,404,541	3,572,506	13,176,821
25.1 Movement in amount due to related parties is as follows:				
At 1 January	12,404,541	11,075,483	13,176,821	11,848,051
Interest accrued during the year	-	1,329,058	-	1,328,770
Adjustment based on SEC directed resolution	(9,604,314)	-	(9,604,314)	-
At 31 December	2,800,227	12,404,541	3,572,507	13,176,821

25.2 The Securities & Exchange Commission (SEC) issued directives on pending legacy issues to Ikeja Hotel and its investee companies based on the recommendations of the forensic audit earlier carried out by Deloitte Nigeria, the Commission's independent finding .
The directives of SEC on the outcome of the Forensic audit is reflected in this financial statements.

26. Retirement benefit obligation

26.1 The Company complies with the provisions of the Pension Reform Act 2014 whereby both employer and employees contributed 10% and 8% each of employee gross emolument on monthly basis. Both employer and employee contributions are remitted monthly to the employees' chosen Pension Fund Administrators (PFA). Employer contribution has been charged to the statement of profit or loss and other comprehensive income.

Under the defined benefit's scheme member's past service benefits have been assessed using the Projected Unit Credit Method (PUCM). This method calculates the actuarial liability (staff gratuity benefits and long service grants) as the discounted value of the benefits that have accrued over the past period of membership of the beneficiaries. In determining this value allowance is made for any future expected inflationary growth of the on-going benefits up to the exit date.

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
26.2 Composition of retirement benefit				
Defined contribution plan (Note 27.3)	-	-	-	-
Defined benefit plan (Note 27.4)	253,147	328,831	253,147	328,831
	253,147	328,831	253,147	328,831

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
26. Retirement benefit obligation (continued)				
26.3 Defined contribution plan				
At 1 January	-	-	-	-
Contribution in the year	102,934	78,398	102,934	78,398
Remittance during the year	(102,934)	(78,398)	(102,934)	(78,398)
At 31 December	-	-	-	-
26.4 The defined benefit plan is analysed into:				
Active plan	253,147	318,831	253,147	318,831
Terminated plan	-	10,000	-	10,000
	253,147	328,831	253,147	328,831
26.5 Movement in defined benefit plan				
Active defined benefit obligations:				
At 1 January	318,831	426,009	318,831	426,009
Current service cost	25,913	28,709	25,913	28,709
Interest cost	45,786	61,234	45,786	61,234
Payments in the year	(128,713)	(225,640)	(128,713)	(225,640)
Re-measurement (gain)/loss on defined benefit plan	(8,670)	28,519	(8,670)	28,519
At 31 December	253,147	318,831	253,147	318,831
Present value of defined benefit obligation	253,147	318,831	253,147	318,831
Actuarial (gains)/losses recognised in other comprehensive income:				
Re-measurement (gain)/loss on defined benefit plan	(8,670)	28,519	(8,670)	28,519
Deferred tax charge	11,156	962	11,156	962
Prior year's deferred tax credit underprovision	-	(9,517)	-	-
	11,156	(8,555)	11,156	962
Amount recognised in other comprehensive income	2,486	19,964	2,486	29,481
Terminated obligations				
At 1 January	10,000	46,398	10,000	46,398
Payments in the year	-	(36,398)	-	(36,398)
At 31 December	10,000	10,000	10,000	10,000
The terminated obligations is in respect of the gratuity scheme which have been discontinued based on agreements with the Group's workers union. Settlements of the outstanding balances at termination are made in accordance with terms contained in the agreement with the workers union.				

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
26.6 Assumptions applied in the estimates:				
The weighted average of the following indices formed part of the actuarial assumptions used at 31 December 2024:				
Discount rate	16.99%	18.46%	16.99%	18.46%
Rate of salary increases	14.67%	17.69%	14.67%	17.69%
Inflation rate	14.67%	16.19%	14.67%	16.19%

Assumptions regarding future mortality experiences are set based on actuarial advices, published statistics and experience in a given jurisdiction. The Projected Unit Credit Method (PUCM) was applied to determine the present value of the Company's defined benefit obligations and the related current service cost and where applicable the past service costs in accordance with Guidance Note (GN 9) issued by the Institute and Faculty of Actuaries.

Defined benefit scheme are based upon independent actuarial valuation performed O & A Hedge Actuarial Consulting on the defined benefit liability as at 31 December 2025 (31 December 2024: O & A Hedge Actuarial Consulting) using the projected unit credit basis. Defined benefit expense is recognised in cost of sales in the statement of profit or loss. Actuarial gains or losses are recognised in other comprehensive income.

The actuarial valuation report was signed in March 2026 by L. B. Abraham (FRC/2016/PRO/DIR/003/00000015764) for O & A Hedge Actuarial Consulting (FRC/2019/00000012909).

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
27. Deferred taxation				
27.1 At 1 January	3,038,598	2,725,388	3,038,598	2,725,388
Prior year's deferred tax credit on actuarial loss	-	-	-	-
Deferred tax charge recognised in profit or loss (Note 31.2)	(2,679,802)	312,248	(2,679,802)	312,248
Deferred tax charge recognised in other comprehensive income	11,156	962	11,156	962
At 31 December	369,952	3,038,598	369,952	3,038,598
27.2 Analysis of deferred tax is as follows				
Property, plant and equipment	634,123	2,131,685	634,123	2,131,685
Exchange gain/(loss)	(183,354)	941,722	(183,354)	941,722
Actuarial remeasurement of retirement benefit obligation	2,602	(8,555)	2,602	(8,555)
Impairment loss on trade receivables	(83,418)	(26,254)	(83,418)	(26,254)
	369,952	3,038,598	369,952	3,038,598

Deferred income tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
28. Trade and other payables				
Trade payables	959,450	852,037	784,743	653,666
Accrued expenses	2,921,884	1,202,281	2,753,153	1,071,834
Staff Pension	635	-	-	-
Staff bonuses	187,225	240,467	187,225	240,467
Advance deposits	629,475	482,525	512,236	365,287
Service charge distribution	189,972	159,038	189,972	159,038
Withholding tax payables	1,112	-	1,112	-
Customer credit balance	160,938	-	160,938	-
VAT Payable	266,634	159,742	266,634	159,742
Unclaimed dividend (Note 28.1)	95,423	135,009	72,026	125,260
	5,412,749	3,231,099	4,928,039	2,775,294
28.1 This amount represents total unclaimed dividend returned by registrar.				
29. Deferred income				
Unrealised exchange gain on TCN Loan				
At 1 January	32,903,157	18,912,450	32,760,902	18,770,195
Unrealised exchange difference capitalised	-	13,938,746	-	13,938,746
SEC approved 40% discount on loan related income	(12,622,926)	-	(12,622,926)	-
Deferred rental income	-	51,961	-	51,961
Recognized in profit or loss account	247,773	-	-	-
At 31 December	20,528,005	32,903,157	20,137,976	32,760,902
29.1 Deferred income comprise				
Ikeja Hotel Plc	20,137,976	32,760,902	20,137,976	32,760,902
Charles Hampton and Company Limited	142,255	142,255	-	-
Hans Gremlin Limited	247,773	-	-	-
	20,528,004	32,903,157	20,137,976	32,760,902

29.2 This exchange difference relates to the outstanding balance of the foreign currency denominated loan granted to Tourist Company of Nigeria Plc, which is payable based on the Company's liquidity.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
30. Dividend payable				
At 1 January	-	-	-	-
Dividend declared	254,377	181,875	185,437	162,178
Dividend paid	(254,377)	(181,875)	(185,437)	(162,178)
At 31 December	-	-	-	-

Current year's dividend paid comprise interim dividend of 9k per 50k ordinary shares paid by ikeja Hotel Plc and interim dividend paid by Hans Gremlin Limited to shareholders outside the group.

	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
31. Taxation				
31.1 Current tax payables				
At 1 January	1,209,348	537,838	950,429	490,186
Current year's tax expense	3,315,766	1,027,421	2,988,446	806,718
	4,525,114	1,565,259	3,938,875	1,296,904
Payment in the year	(690,906)	(355,911)	(670,826)	(346,475)
At 31 December	3,834,208	1,209,348	3,268,049	950,429
31.2 Income tax expense				
Company income tax	2,938,310	849,665	2,611,776	649,030
Education tax	376,671	177,334	376,671	157,288
Police trust fund	785	423	-	400
	3,315,766	1,027,422	2,988,446	806,718
Deferred taxation	(2,679,802)	312,248	(2,679,802)	312,248
	635,964	1,339,670	308,644	1,118,966

31.3 The effective tax rate is reconciled to profit before tax for the year as follows:

Profit/(loss) before tax	Rate	14,577,160	Rate	8,539,364	Rate	13,810,415	Rate	8,003,130
	%		%		%		%	
Tax @ 30%	30	4,373,148	30	2,561,809	30.0	4,143,124	30	2,400,939
Effect of net deductive items	(5)	(723,990)	(9)	(788,299)	(9.5)	(1,318,094)	(10)	(828,064)
Effect of capital allowance	(5)	(710,848)	(11)	(923,845)	(1.5)	(213,255)	(12)	(923,845)
Effect of development tax levy	3	451,880	2	177,334	2.7	376,671	2	157,288
Effect of deferred tax effect	(18)	(2,679,802)	4	312,248	(19.4)	(2,679,802)	4	312,248
Police trust fund	-	785	-	423	-	-	-	400
Income tax recognised in the profit or loss account	5	711,173	16	1,339,670	2	308,644	14	1,118,966

The charge for taxation has been computed in accordance with the provisions of the Nigeria Tax Act 2025.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
32. Revenue from contracts with customers				
Revenue comprise				
Room sales	18,233,957	12,832,122	18,233,957	12,832,122
Food and beverage	6,384,415	5,141,827	6,384,415	5,141,827
Other minor operating departments	1,224,495	779,901	1,224,495	779,901
	25,842,867	18,753,850	25,842,867	18,753,850

32.1 Timing of revenue recognition				
Goods transferred at a point in time	6,384,415	5,141,827	6,384,415	5,141,827
Services transferred over time	19,458,452	13,612,023	19,458,452	13,612,023
Total revenue from contracts with customers	25,842,867	18,753,850	25,842,867	18,753,850

Revenue is recognised overtime for services transferred because as the Company performs, the customer simultaneously receives and consumes the benefits provided by the Company's performance.

There is no other revenue items outside IFRS 15. Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information for the Group (Note 33.3).

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Revenue				
External customer	25,842,867	18,753,850	25,842,867	18,753,850
Total Revenue from contracts with customers	25,842,867	18,753,850	25,842,867	18,753,850

32.2 Contract assets

Trade recievables (Note 15)

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. Expected credit losses on trade receivables as at 31 December 2025 were N390.973.768m and N390.973m for the Group and Company respectively. (31 December 2024: N112.908m and N112.908m for the Group and Company respectively.

32.3 Segment information

32.3.1 Reportable segments

The Board of Directors is the Chief Operating Decision Maker (CODM) for reviewing the operating results of reportable segments and making decisions regarding allocation of resources to the segments. The Group had previously identified and segregated reportable segments based on their geographical location. However, following the disposal of controlling interests in Capital Hotel Plc, the COMD considers it appropriate to report segmented information by service lines for both the current year and the comparative period.

The three reportable segments are:

Room sales, Food and beverages and other services

32.3.2 Segmented financial information

Operating segments

The Company has three reportable segments, summarised as follows:

Rooms: This includes the sale of rooms and rent of office space.

Food and beverage: This includes the sale of food and beverages in the Company's restaurants and bars.

Other services: This include the services of other minor operating departments that individually the reported revenue is below 10% of the combined revenue of all operating segments and are similar in the class of customers for their services.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

32.3 Segment information (continued)

32.3.2 Segmented financial information (continued)

	Group			
	Rooms N'000	Food and beverage N'000	Minor operating departments N'000	Total N'000
31 December 2025				
Revenue	18,233,957	6,384,415	1,224,495	25,842,867
Cost of sales	(1,965,582)	(3,877,928)	(7,601,940)	(13,445,450)
Gross profit	<u>16,268,375</u>	<u>2,506,487</u>	<u>(6,377,445)</u>	<u>12,397,417</u>
Gross profit margin (%)	89	39	(521)	48
31 December 2024				
Revenue	12,832,122	5,141,827	779,901	18,753,850
Cost of sales	(1,626,227)	(3,032,604)	(6,523,601)	(11,182,432)
Gross profit	<u>11,205,895</u>	<u>2,109,223</u>	<u>(5,743,700)</u>	<u>7,571,418</u>
Gross profit margin (%)	87	41	(736)	40
	Company			
31 December 2025				
Revenue	18,233,957	6,384,415	1,224,495	25,842,867
Cost of sales	(1,965,582)	(3,877,928)	(7,601,940)	(13,445,450)
Gross profit	<u>16,268,375</u>	<u>2,506,487</u>	<u>(6,377,445)</u>	<u>12,397,417</u>
Gross profit margin (%)	89	39	(521)	48
31 December 2024				
Revenue	12,832,122	5,141,827	779,901	18,753,850
Cost of sales	(1,626,227)	(3,032,604)	(6,523,601)	(11,182,432)
Gross profit	<u>11,205,895</u>	<u>2,109,223</u>	<u>(5,743,700)</u>	<u>7,571,418</u>
Gross profit margin (%)	87	41	(736)	40

Administrative and marketing expenses, assets and liabilities can not be segmented and allocated separately to the operating segments as they are employed and utilised jointly.

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Included in cost of sales are the following:				
Salaries and wages	3,256,393	2,003,522	3,256,393	1,998,235
Pension cost	102,934	64,338	102,934	64,338
Gratuity cost	71,699	89,943	71,699	89,943
Trade receivables impairment allowance	286,232	-	286,232	78,139
	<u>3,717,258</u>	<u>2,157,803</u>	<u>3,717,258</u>	<u>2,230,655</u>

33. Other income

Exchange gain	-	3,139,074	-	3,139,074
Rental income	6,560	5,932	-	-
Sales of scrap	13,243	13,500	13,243	13,500
Insurance claim	58,070	-	58,070	-
Management fees	146,185	165,007	146,185	165,007
Profit on disposal of property, plant and equipment	-	443	-	443
Gain on SEC directives on related parties transactions	5,396,545	-	5,396,545	-
	<u>5,620,603</u>	<u>3,323,956</u>	<u>5,614,043</u>	<u>3,318,024</u>

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

		The Group		The Company	
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
34. Expenses by nature					
34.1 Sales and marketing expenses					
Salaries		178,583	86,336	178,583	86,336
Staff welfare		34,315	105,737	34,315	105,737
Loyalty programs		180,438	176,674	180,438	176,674
Dues and Subscription		12,627	9,989	12,627	9,989
Travel - others		23,572	62,069	23,572	62,069
Entertainment		26,381	13,075	26,381	13,075
Advertisement and publicity		496,589	258,814	496,589	258,814
		952,505	712,694	952,505	712,694
34.2 Administrative expenses					
Directors' remuneration		111,235	74,000	93,235	99,009
Directors' expenses		149,308	116,919	145,570	69,636
Employee costs		335,734	181,453	329,422	176,166
Depreciation of property, plant and equipment		430,270	409,612	430,270	409,612
Amortisation of intangible assets		2,242	3,037	2,242	3,037
Management fees		612,095	433,347	498,981	356,491
Operators incentive fee		352,741	205,457	352,741	205,457
Legal expense		2,014,036	45,782	1,996,314	45,782
Professional fees***		87,658	86,639	82,977	86,639
Insurance		8,390	5,927	8,390	5,927
Medical expenses		12,322	9,357	12,322	9,357
Transport and travelling		18,247	6,789	18,247	6,789
Repairs and maintenance		25,207	11,517	24,527	11,313
Bank charges and commission		4,719	1,763	3,738	1,644
Audit fee		21,398	21,398	19,350	19,350
Rent and rate		9,300	8,486	9,300	8,486
Advertising and publicity		22,849	21,183	22,849	21,183
Printing and stationery		4,800	5,122	4,800	5,122
Communication expenses		11,202	7,576	11,202	7,576
Subscription		42,504	24,454	42,504	24,454
Donations		3,700	1,250	3,700	1,250
Loss on disposed of assets		571	-	571	-
Annual General Meeting expenses		24,079	28,007	24,079	28,007
Other administrative expenses**		195,461	91,799	195,117	91,591
Exchange loss		611,181	-	611,181	-
Loss on investment disposed		-	112	-	-
		5,111,249	1,800,986	4,943,629	1,693,878
*** Non audit service					
Refer to Note 46 for the analysis of non-audit services provided by the Joint External Auditors during the year.					
**** Other administrative expenses					
Staff pension		97,953	14,060	97,953	14,060
Training		43,168	9,754	43,168	9,754
Staff welfare		15,946	15,150	15,946	15,150
Electricity		13,523	17,343	13,180	17,135
Office expenses		9,185	5,041	9,185	5,041
Auto repairs		15,686	7,904	15,686	7,904
Rights & bonus issue expenses		-	22,547	-	22,547
		195,461	91,799	195,118	91,591

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
35. Finance income				
Interest earned on placement with banks	2,622,894	1,486,728	1,491,067	718,162
Dividend received	-	-	204,021	131,156
	<u>2,622,894</u>	<u>1,486,728</u>	<u>1,695,088</u>	<u>849,318</u>
36. Finance costs				
Interest on related party loan	-	1,328,770	-	1,328,770
Others	-	288	-	288
Interest expense	<u>-</u>	<u>1,329,058</u>	<u>-</u>	<u>1,329,058</u>
37. Operating profit before tax is stated after charging/(crediting):				
Directors' remuneration	111,235	74,000	57,500	57,500
Depreciation of property, plant and equipment	430,270	409,612	430,270	409,613
Amortisation of intangible assets	2,242	3,037	2,242	3,037
Auditor's remuneration	21,398	21,398	19,350	19,350
Exchange loss/(gain)	-	120,184	611,181	(3,139,074)
Personnel compensation	<u>3,431,026</u>	<u>1,474,533</u>	<u>3,585,815</u>	<u>2,174,401</u>

38. Basic and diluted earnings per share

Earnings per share (basic and diluted) have been computed for each year on the profit after tax attributable to ordinary shareholders and divided by the number of issued and fully paid up N0.50 kobo ordinary shares during the year.

Profit/(loss) after taxation	<u>13,941,196</u>	<u>7,199,694</u>	<u>13,501,771</u>	<u>6,884,164</u>
Number of shares	<u>2,162,368</u>	<u>2,162,368</u>	<u>2,162,368</u>	<u>2,162,368</u>
Earnings/(loss) per share (Kobo)	<u>645</u>	<u>333</u>	<u>624</u>	<u>318</u>

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000

39. Information regarding directors and employees

39.1 Emolument of the Directors

Chairman's fee	5,500	5,000	2,500	2,500
Other Directors fee	29,000	28,000	14,000	14,000
Emoluments as executives	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>	<u>41,000</u>
	<u>75,500</u>	<u>74,000</u>	<u>57,500</u>	<u>57,500</u>

	The Group		The Company	
	2025 Number	2024 Number	2025 Number	2024 Number

39.2 Scale of directors' remuneration

The number of directors excluding the Chairman whose emoluments fell within the following ranges are:

N10,000,000 and above	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
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IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

		The Group		The Company	
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
39. Information regarding directors and employees (continued)					
39.3 Staff costs					
Personnel compensation comprised:					
Salaries and wages		3,256,393	2,003,522	3,256,393	1,998,235
Pension cost		102,934	64,338	102,934	64,338
Gratuity cost		71,699	89,943	71,699	89,943
		3,431,026	2,157,803	3,431,025	2,152,516
		Number	Number	Number	Number
39.4 The average number of persons employed during the year by category:					
Management staff		31	32	31	32
Non-management staff		223	196	223	196
		254	228	254	228
39.5 Scale of employees' remuneration					
N	N				
750,001 -	1,000,000	53	52	53	52
1,000,001 -	1,250,000	43	40	43	40
1,250,001 -	1,500,000	33	28	33	28
1,500,001 -	1,750,000	25	20	25	20
1,750,001 -	2,000,000	20	14	20	14
Above -	2,000,001	80	74	80	74
		254	228	254	228
40. Related party disclosures					
40.1 Compensation of key management personnel					
Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly, including all the directors (whether executive or otherwise). Below is the key management compensation during the year:					
		2025	2024	2025	2024
		N'000	N'000	N'000	N'000
Short term benefits (Note 40.1)		75,500	74,000	57,500	57,500
Executive Director's pension cost		2,285	2,285	2,285	2,285
		77,785	76,285	59,785	59,785
40.2	During the year, the Group had significant business dealings with the related parties. The transaction value of these business dealings are:				
		Transactions	Balance	Transactions	Balance
		2025		2024	
		N'000	N'000	N'000	N'000
			Due from/(to)		Due
			related party		from/(to)
					related party
40.3 The Tourist Company of Nigeria Plc					
Ikeja Hotel Plc is a shareholder of the Company and some Directors on the Board of the Company also serve on the Board of Ikeja Hotel Plc. Transaction in the year relates to SEC directed resolutions.		(17,458,974)	16,723,246	542,381	34,182,220
40.4 Hans-Gremlins (Nigeria) Limited					
The Company is a subsidiary of Ikeja Hotel Plc and some of the Directors serve on the board of both companies. Transaction in the year related to administrative support provided to Hans Gremlin Limited.		35,998	116,596	(98,088)	80,598

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

40. Related party disclosures (continued)	Transactions	Balance	Transactions	Balance
	2025		2024	
	N'000	N'000	N'000	N'000
		Due from/(to) related party		Due from/(to) related party
40.5 Minabo Limited				
One of the Directors of Ikeja Hotel Plc is also a director of Minabo Limited. Transaction in the year relates to SEC directed resolutions.	1,047,442	(2,145,978)	(305,493)	(3,193,420)
40.6 Associated Ventures International Limited				
One of the Directors of the Company is also a director of Associated Ventures International Limited. Transaction in the year relates to SEC directed resolutions.	1,767,322	(654,789)	(231,707)	(2,422,111)
40.7 Alurum Investment Limited/Oma Trust Limited				
One of the Directors of the Company is also a director of Oma Trust Limited. Transaction in the year relates to SEC directed resolutions.	5,459,952	(0)	(522,317)	(5,459,952)
40.8 Charles Hampton & Company Limited				
Capital Hotels Plc is a member of the Ikeja Hotel Group and in the business of real estate investment. Transactions in the year relate to administrative support provided by Ikeja Hotel Plc.	3,698	272,839	7,244	269,142
40.9 IHL Services Limited				
IHL Services Limited is a member of the Ikeja Hotel Group. Transactions in the year relate to administrative support provided by Ikeja Hotel Plc.	829	(771,739)	5,000	(772,568)
40.10 OOT Nominees Limited				
The Company provides secretarial services to Ikeja Hotel Plc. The Chairman of the Board of Ikeja Hotel Plc is a director in the company and Senior Partner of Punuka Attorneys and Solicitors which is affiliated to OOT Nominees Limited.	5,375	-	5,000	-
40.11 GM IBRU & CO				
The Firm provides legal services to Ikeja Hotel Plc. GM Ibru is the former chairman of Ikeja Hotel Plc and a Senior Partner of GM Ibru & Co.	10,245	-	9,100	-
41. Management/technical service agreement				
The Ikeja Hotel Plc entered into an agreement with Marriots Eame License and Services Company BVBA to manage Sheraton Lagos Hotel on its behalf for which a basic fee of 1.5% of total revenue together with an incentive fee of 3% of adjusted gross operating profit of the Hotel during each financial year. This agreement has been registered with the National Office for Technology Acquisition and Promotion (NOTAP).				
42. Contingencies				
42.1 Guarantees and other capital commitments				
The Directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of the consolidated financial statements. The liabilities are relevant in assessing the group's state of affairs. (2024: Nil)				

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

42. Contingencies (continued)

42.2 Pending litigations and claims

There were a total of 8 lawsuits against the Group as at 31 December 2025 with a total possibly financial liability of N297,527,530 (31 December 2024: N368,388,592) and 1 lawsuit instituted by a subsidiary against Lagos State Government as highlighted in the following paragraph. The estimated liability was not provided for in these financial statements as the Directors have assessed based on the advice of the Company's legal counsel, that the likelihood of crystallisation is remote. The Group's legal counsel are however effectively handling the suits and there are no other suit involving the Group outside the number disclosed. The Directors are not aware of any threatened or pending litigations which may affect the continuous operations of the Group. The above legal advice was given by Aherhe Akpojaro Esq. (FRC/2023/PRO/NBA/004/073861) for G.M. Ibru & Co.

The Tourist Company of Nigeria (TCN) instituted a suit against Ikeja Hotel Plc, at the High Court of Lagos State disputing a resolution by the Securities & Exchange Commission (SEC) which affirmed the indebtedness of TCN to Ikeja Hotel Plc in the sum of N36 Billion. The resolution sets out terms and basis for the settlement of the indebtedness by TCN, which TCN disagrees with. The Directors of Ikeja Hotel based on its counsel judgement assess the likelihood of an unfavourable outcome to be low. The above legal advice was given by Mofesomo Tayo Oyetibo (FRC/2021/PRO/NBA/00000022421) for Tayo Oyetibo LP.

The Lagos State Government issued a notice of revocation of Charles Hampton & Company Limited's certificate of occupancy (C of O) on acres of land which comprise the Company's investment property in the year 2020. The Directors of the Group have challenged this action in court through its Legal Counsel, G. M. Ibru & Co. In the light of uncertainties around the action of the Lagos State Government, the Directors impaired the carrying amount of the asset by the creation of an impairment allowance in the books of its subsidiary. Future reversal of the impairment allowance shall be made if judgements are in the favour of the Company after all levels of litigation and appeals have been exhausted.

43. Events after the reporting date

Apart from the above, the Directors have assessed and concluded that there are no significant events after the reporting date which would have had any material effect on the state of affairs as at 31 December 2025 that have not been dealt with in these financial statements.

44. Financial instruments 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.

The Group has exposure to the following risks:

- Strategic risk
- Credit risk
- Financial risk
- Operational risk

44.1 Strategic risk

This specifically focuses on the economic environment, the products offered and the market. The strategic risks arise from a Group's ability to make appropriate decisions or implement appropriate business plans, strategies, decision making, resource allocation and its inability to adapt to changes in its business environment.

44.1.1 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.

44.1.2 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

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

44.2 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from loans and receivables, accounts receivables (excluding prepayments and VAT), and cash and cash equivalent.

Exposure to credit risk is monitored on an ongoing basis, with credit checks performed on all clients requiring credit over certain amounts. Credit is authorized beyond the credit limits established where appropriate. Credit granted is subject to regular review, to ensure it remains consistent with the client's creditworthiness and appropriate to the anticipated volume of business.

44.2.1 Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was as follows:

	The Group		The Company	
	2025 N'000	2024 N'000	2025 N'000	2024 N'000
Financial assets				
Related party receivables	16,723,246	34,182,220	16,723,246	34,182,220
Trade receivables	1,970,713	1,825,231	1,968,494	1,825,231
Cash and cash equivalents	33,155,583	22,738,629	26,266,891	16,844,660
	<u>51,849,543</u>	<u>58,746,080</u>	<u>44,958,631</u>	<u>52,852,112</u>

44.2.2 Impairment of trade receivables

Group	Days						Total
	0 - 30 N'000	31-60 N'000	61-90 N'000	91-120 N'000	121-180 N'000	181 and above N'000	
2025							
Gross carrying amount	1,594,703	671,747	26,225	4,632	4,525	57,634	2,359,466
Default rate	11.44%	23.19%	40.46%	51.26%	57.28%	64.55%	
Lifetime ECL	182,410	155,780	10,611	2,374	2,592	37,205	390,972
2024							
Gross carrying amount	1,159,292	477,123	127,117	55,007	42,854	76,746	1,938,139
Default rate	3.44%	6.07%	12.32%	14.36%	16.51%	17.50%	
Lifetime ECL	39,862	28,974	15,667	7,899	7,075	13,431	112,908

Company	Days						Total
	0 - 30 N'000	31-60 N'000	61-90 N'000	91-120 N'000	121-180 N'000	181 and above N'000	
2025							
Gross carrying amount	1,594,703	671,747	26,225	4,632	4,525	57,634	2,359,466
Default rate	11.44%	23.19%	40.46%	51.26%	57.28%	64.55%	
Lifetime ECL	182,410	155,780	10,611	2,374	2,592	37,205	390,972
2024							
Gross carrying amount	1,159,292	477,123	127,117	55,007	42,854	76,746	1,938,139
Default rate	3.44%	6.00%	12.32%	14.36%	16.51%	17.50%	
Lifetime ECL	39,880	28,627	15,667	7,899	7,075	13,431	112,579

The calculation of impairment allowance is based on the expected credit loss (ECL) model. The measurement of expected credit loss by the Group reflects an unbiased and probability-weighted amount that is determined by evaluating the range of possible outcomes as well as incorporating the time value of money. Also, the Group considers reasonable and supportable information about past events, current conditions and reasonable and supportable forecasts of future economic conditions when measuring expected credit losses. The expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weightings

The Group adopts the simplified approach in calculating ECL which recognises lifetime ECL on trade receivables. The simplified model is based on establishing historical loss rates for classes of trade receivables with similar characteristics and adjusting those rates to reflect the effect of forward looking macro economic variables.

These macro economic variables include inflation and interest rates.

44.3 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Group's operations.

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

44.3 Operational risk (continued)

The Group's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Group's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each unit. This responsibility is supported by the development of operational standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- training and professional development
- Ethical and business standards

44.4 Financial risk

The Group has exposure to the following risks from financial instruments:

44.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The group at all times maintains adequate committed credit facilities in order to meet all its commitments as and when they fall due. Repayment of borrowings are structured to match the expected cash flows from operations to which they relate.

The Group's approach to managing liquidity is to ensure as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group finances its operations through cash generated by the business and short-term investments with a range of maturity dates. In this way, the Group ensures that it is not overly reliant on any particular liquidity sources. Liquidity risk faced by the Group is mitigated by having diverse sources of finance available to it and by maintaining substantial unutilized banking facilities and reserve borrowing capacity (where necessary).

Contractual maturity analysis for financial liabilities - Group

	Due within one year N'000	Due after one year N'000	Total N'000
At 31 December 2025			
Financial liabilities			
Other liabilities	24,362,213	3,423,866	27,786,079
Trade and other payables	5,412,749	-	5,412,749
Dividend payable	-	-	-
	<u>29,774,962</u>	<u>3,423,866</u>	<u>33,198,828</u>
At 31 December 2024			
Financial liabilities			
Other liabilities	34,112,504	15,771,970	49,884,474
Trade and other payables	3,231,099	-	3,231,099
Dividend payable	-	-	-
	<u>37,343,603</u>	<u>15,771,970</u>	<u>53,115,573</u>

Contractual maturity analysis for financial liabilities - Company

	Due within one year N'000	Due after one year N'000	Total N'000
At 31 December 2025			
Financial liabilities			
Other liabilities	23,406,025	4,195,605	27,601,630
Trade and other payables	4,928,039	-	4,928,039
Dividend payable	-	-	-
	<u>28,334,063</u>	<u>4,195,605</u>	<u>32,529,670</u>
At 31 December 2024			
Financial liabilities			
Other liabilities	33,711,330	16,544,250	50,255,579
Trade and other payables	2,775,294	-	2,775,294
Dividend payable	-	-	-
	<u>36,486,624</u>	<u>16,544,250</u>	<u>53,030,873</u>

The Group's focus on the maturity of its financial liabilities is as highlighted above, classified as due or due within one year and

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

44.6 Market risk

This is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the income or value of its holdings of financial instruments.

The primary objectives of the treasury function are to provide secure and competitively priced funding for the activities of the Group and to identify and manage financial risks, including exposure to movement in interest and foreign exchange rates arising from those activities. The components of the market risk are highlighted below:

44.7 Foreign exchange risk

The Group is exposed to transactional currency risk on sale and purchases that are denominated in a currency other than the functional currency. This exposure is managed through a domiciliary account maintained to effect transactions denominated in foreign currencies.

44.8 Price risk

The Group is exposed to variability in the prices of commodities used in running its operations especially those relating to food and beverages and housekeeping functions. Commodity price risk is managed within minimum and maximum guardrails principally through multi-year fixed price contract with suppliers.

44.9 Fair value determination

Fair value is the amount at which an asset or liability is exchanged between knowledgeable willing parties in an arms length transaction. The carrying values of the Group's financial assets and liabilities are a reasonable approximation of fair values as at the applicable reporting periods.

Fair values of equity securities with active markets were derived with reference to their markets prices as at the reporting period.

The Group	Fair value N'000	Amortised cost N'000	Carrying amount N'000
At 31 December 2025			
Assets			
Cash and cash equivalents	33,155,583	-	33,155,583
Trade and other receivables	-	3,607,194	3,607,194
Loans receivable	-	16,723,246	16,723,246
	<u>33,155,583</u>	<u>20,330,439</u>	<u>53,486,024</u>
Liabilities			
Trade payables	-	5,412,749	5,412,749
Other payables	-	27,786,079	27,786,079
	<u>-</u>	<u>33,198,827</u>	<u>33,198,827</u>
At 31 December 2024			
Assets			
Cash and cash equivalents	22,738,629	-	22,738,629
Trade and other receivables	-	3,490,770	3,490,770
Loans receivable	-	34,182,220	34,182,220
	<u>22,738,629</u>	<u>37,672,989</u>	<u>60,411,619</u>
Liabilities			
Trade payables	-	3,231,099	3,231,099
Other payables	-	49,884,474	49,884,474
	<u>-</u>	<u>53,115,573</u>	<u>53,115,573</u>
The Company			
At 31 December 2025			
Assets			
Cash and cash equivalents	26,266,891	-	26,266,891
Trade and other receivables	-	3,604,975	3,604,975
Loans receivable	-	16,723,246	16,723,246
	<u>26,266,891</u>	<u>20,328,221</u>	<u>46,595,112</u>
Liabilities			
Trade payables	-	4,928,039	4,928,039
Other payables	-	27,601,630	27,601,630
	<u>-</u>	<u>32,529,670</u>	<u>32,529,670</u>

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

44.10 Fair value determination (continued)

The Company (continued)

At 31 December 2024

Assets

Cash and cash equivalents

Trade and other receivables

Loans receivable

	Fair value N'000	Amortised cost N'000	Carrying amount N'000
Cash and cash equivalents	16,844,660	-	16,844,660
Trade and other receivables	-	3,488,468	3,488,468
Loans receivable	-	34,182,220	34,182,220
	<u>16,844,660</u>	<u>37,670,689</u>	<u>54,515,348</u>
Liabilities			
Trade and other payables	-	2,775,294	2,775,294
Other payables	-	50,255,581	50,255,581
	<u>-</u>	<u>53,030,875</u>	<u>53,030,875</u>

44.11 Financial instruments and fair values

Financial assets and liabilities have been classified into categories that determine their basis of measurement and, for items measured at fair value, such changes in fair value are recognized in the statement of comprehensive income either through the statement of profit or loss or other comprehensive income. For items measured at amortised cost, changes in value are recognised in the statement of profit or loss.

The carrying amounts of financial instruments shown on the statement of financial position in terms of their measurement basis are shown as follows:

44.12 Fair valuation methods and assumptions

Cash and cash equivalents, trade receivables, trade payables and short term borrowings are assumed to approximate their carrying amounts due to the short-term nature of these financial instruments.

The fair value of publicly traded financial instruments is generally based on quoted market prices, with unrealised gains in a separate component of equity at the end of the reporting year.

44.13 Fair value measurements recognised in the statement of financial position

Financial instruments that are measured subsequent to initial recognition at fair value, are grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: for equity securities not listed on an active market and for which observable market data exist that the Group can use in order to estimate the fair value;

Level 3: fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

IKEJA HOTEL PLC

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

45. Contractual arrangements

Ikeja Hotel Plc entered into a partnership arrangement with Balmoralhalls & Event Management Limited (BEML) for the construction and operation of a high audience capacity convention centre. The arrangement provides for a space to be provided at Sheraton Lagos Hotel for the location of the centre which shall be run and managed by BEML and for revenue proceeds net of taxes to be shared as follows: 60% BEML and 40% Ikeja Hotel Plc. The contract period is for 5 years and subject to renewal upon mutual agreement by the parties.

46. Non-audit services

Highlighted below are non-statutory audit services provided by the Joint External Auditors to the Company and its subsidiary as follows:

	The Group		The Company	
	2025	2024	2025	2024
	N'000	N'000	N'000	N'000
	Fees	Fees	Fees	Fees
Ikeja Hotel Plc - Review of management's assessment of ICFR	3,500	2,000	3,500	2,000

The fees disclosed for the provision of the non-audit services for the current and comparative period by the Joint External Auditors are included in professional charges under note 34.2, administrative expenses.

47. Forensic audit

The report of Forensic Audit commissioned by Securities & Exchange Commission (SEC) was released in June 2025 and the directives for the implementation of the finding was issued.

The directives of SEC on the outcome of the Forensic audit are reflected in this financial statements.

Other national disclosures

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED FOR THE YEAR ENDED 31 DECEMBER 2025

	The Group				The Company			
	2025 N'000	%	2024 N'000	%	2025 N'000	%	2024 N'000	%
Revenue	25,842,867		18,753,850		25,842,867		18,753,850	
Other income	5,620,603		3,323,956		5,614,043		3,318,024	
Finance income	2,622,894		1,486,728		1,695,088		849,318	
	34,086,364		23,564,534		33,151,998		22,921,192	
Cost of goods and services - local	(15,305,981)		(11,012,151)		(15,144,673)		(10,915,618)	
Value added	18,780,383	100	12,552,383	100	18,007,325	100	12,005,574	100
Applied as follows:								
To pay employees:								
Salaries and wages	3,770,710	20	2,271,311	18	3,764,398	21	2,260,737	19
To providers of capital:								
Finance costs	-	-	1,329,058	11	-	-	1,329,058	11
To pay Government:								
Taxation	3,315,766	18	1,027,422	8	2,988,446	17	806,718	7
To provide for assets replacement:								
Depreciation and amortisation	432,512	2	412,649	3	432,512	2	412,649	3
Retained for future expansion:								
- Deferred tax charge/(credit)	(2,679,802)	(14)	312,248	2	(2,679,802)	(15)	312,248	3
- Interim dividend	-	-	29,545	-	-	-	-	-
- Retained profit for the year	13,941,196	74	7,170,149	57	13,501,771	75	6,884,164	57
Value added	18,780,383	100	12,552,382	100	18,007,325	100	12,005,574	100

Value added represents the additional wealth, the group has been able to create by its own and its employees' efforts. This statement shows the allocation of the wealth amongst employees, providers of capital, government and that retained in the business for future creation of more wealth.

IKEJA HOTEL PLC

FINANCIAL SUMMARY

31 DECEMBER

	2025 N'000	2024 N'000	2023 N'000	2022 N'000	2021 N'000
Group					
Statement of financial position					
Assets					
Property, plant and equipment	23,003,809	22,502,504	22,370,571	6,927,608	17,791,198
Investment Property	-	-	-	-	-
Capital work in progress	721,060	478,122	291,521	67,842	5,163,458
Intangible assets	12,434	14,676	17,458	18,329	4,487,149
Net current (liabilities)/assets	23,925,927	23,331,699	15,189,964	11,350,817	3,366,678
Non-current liabilities	(3,423,866)	(15,771,970)	(14,282,794)	(10,581,683)	(10,046,563)
Net assets	44,239,363	30,555,031	23,586,720	7,782,913	20,761,920
Equity and reserves					
Share capital	1,081,184	1,081,184	1,081,184	1,039,398	1,039,398
Share premium reserve	1,432,886	1,432,886	1,432,886	1,381,072	1,381,072
Retained earnings	27,773,017	14,252,475	7,366,734	5,551,514	6,413,223
Capital reserve	1,832	1,832	1,832	1,832	-
Revaluation reserve	13,823,793	13,823,793	13,823,793	-	3,121,799
	44,112,712	30,592,170	23,706,429	7,973,816	11,955,492
Non-controlling interest	126,651	(37,140)	(119,709)	(190,903)	8,806,428
Total equity	44,239,363	30,555,030	23,586,720	7,782,913	20,761,920
Summary of statement of profit or loss and other comprehensive income					
Revenue from contract with customers	25,842,867	18,753,850	11,113,217	12,896,968	9,868,545
Profit/(loss) before tax	14,577,160	8,539,364	3,793,300	(3,357,449)	200,934
Income tax expense	(635,964)	(1,339,670)	(1,719,254)	(581,346)	(381,548)
Profit/(loss) for the year	13,941,195	7,199,694	2,074,046	(3,938,795)	(180,614)
<i>Other comprehensive income/(loss) for the year</i>					
Remeasurement gain/(loss) on retirement benefit obligation	(2,486)	(19,964)	(22,205)	(29,942)	126,921
Revaluation surplus net of tax	-	-	-	-	-
	(2,486)	(19,964)	(22,205)	(29,942)	126,921
Total comprehensive income/(loss) for the year	13,938,709	7,179,730	2,051,841	(3,968,737)	(53,693)
Per share data:					
Earnings/(loss) per share - Kobo	645	333	100	(189)	(9)
Net assets/share - (Naira)	20.46	14.13	11.35	9.99	8.07

Earnings/(loss) per share is based on the profit after tax divided by the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets divided by the number of issued and fully paid ordinary shares at the end of each financial year.

IKEJA HOTEL PLC

FINANCIAL SUMMARY

31 DECEMBER

	2025 N'000	2024 N'000	2023 N'000	2022 N'000	2021 N'000
Company					
Statement of financial position					
Assets					
Property, plant and equipment	23,003,809	22,502,504	22,370,571	6,927,608	7,217,268
Capital work in progress	721,060	478,122	291,521	67,842	66,713
Intangible assets	12,434	14,676	17,458	18,329	16,938
Investment in subsidiary	4,444,518	4,444,518	4,444,518	4,444,518	4,444,518
Investments accounted for using the equity method	798,722	798,722	798,722	798,722	798,722
Deferred tax asset	-	-	-	-	220,392
Net current (liabilities)/assets	18,865,348	18,642,146	10,766,989	7,211,361	5,683,970
Non-current liabilities	(4,195,605)	(16,544,250)	(15,045,846)	(11,361,400)	(10,579,782)
Net assets	43,650,285	30,336,438	23,643,933	8,106,980	7,868,739
Equity and reserves					
Share capital	1,081,184	1,081,184	1,081,184	1,039,398	1,039,398
Share premium reserve	1,432,886	1,432,886	1,432,886	1,381,072	1,381,072
Retained earnings	27,312,423	13,998,575	7,306,070	5,686,510	5,448,269
Revaluation reserve	13,823,793	13,823,793	13,823,793	-	-
Total equity	43,650,286	30,336,438	23,643,933	8,106,980	7,868,739
Statement of profit or loss and other comprehensive income					
Revenue from contract with customers	25,842,867	18,753,850	11,113,217	8,717,001	6,169,855
Profit/(loss) before tax	13,810,415	8,003,130	3,487,885	849,529	206,650
Income tax expense	(308,644)	(1,118,966)	(1,690,210)	(581,346)	(63,691)
Profit/loss for the year	13,501,771	6,884,164	1,797,675	268,183	142,959
<i>Other comprehensive income/(loss) for the year:</i>					
Remeasurement gain/(loss) on retirement benefit obligation net of tax	(2,486)	(29,481)	(22,205)	(29,942)	126,921
Revaluation surplus net of tax	-	-	-	-	-
Total comprehensive income/(loss) for the year	13,499,284	6,854,682	1,775,470	238,241	269,881
Per share data:					
Earnings/(loss) per share - Kobo	624	318	86	13	7
Net assets/share - (Naira)	20.19	14.03	11.37	3.79	3.90

Earnings/(loss) per share is based on the profit after tax divided by the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets divided by the number of issued and fully paid ordinary shares at the end of each financial year.