

IKEJA HOTEL PLC (RC 10845)

**Unaudited Financial Statements
For The Third Quarter Ended 30 September, 2017**

IKEJA HOTEL PLC

| Contents | Page |
|-----------------------------------|-------------|
| The Group | 1 |
| Statement of Financial Position | 2 |
| Statement of Comprehensive Income | 3 |
| Statement of Changes in Equity | 4 |
| Statement of Cash Flows | 5 |
| Notes to Financial Statement | 6 |
| Income Statement Forecast | 11 |
| Operating Summary | 12 |

IKEJA HOTEL PLC

The Group

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

The Company

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

The registered office of the company is located at 84 Opebi Road, Ikeja, Lagos. The hotel is managed and operated by Starwood Eame License and Services Company BVBA (now Marriot)

Principal activities

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

Accounting Policies

The same accounting policies and methods of computation are followed in the interim financial statements for the half-year ended 30 September, 2017 as were followed in the most recent financial statements.

Statement of Compliance

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

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.

Condensed Statement of Financial Position
As at 30 September, 2017

| | Notes | The Group | | The Company | |
|--|-------|--------------------|--------------------|--------------------|--------------------|
| | | 30-Sep-17 N'000 | 31-Dec-16 N'000 | 30-Sep-17 N'000 | 31-Dec-16 N'000 |
| Non-Current Assets | | | | | |
| Property, plant and equipment | 1 | 6,326,754 | 6,562,469 | 3,972,874 | 4,101,119 |
| Capital Work in Progress | 2 | 4,545,941 | 4,268,744 | 4,022,138 | 3,744,941 |
| Intangible Asset | 3 | 27,320 | 32,767 | 10,690 | 12,208 |
| Investment in Subsidiaries | 27 | - | - | 4,440,919 | 4,440,919 |
| Investments in Joint Venture | 28 | 798,722 | 798,722 | 798,722 | 798,722 |
| Loans and Receivables | 13 | 7,171,873 | 6,950,683 | 6,173,833 | 5,950,682 |
| Due from Related Party | 14 | 327,810 | 328,624 | 500,534 | 501,348 |
| Total Non-Current Assets | | 19,198,421 | 18,942,010 | 19,919,712 | 19,549,940 |
| Current Assets | | | | | |
| Inventories | 12 | 552,069 | 579,880 | 278,943 | 291,132 |
| Trade and Other Receivables | 10 | 1,636,068 | 1,221,820 | 779,638 | 388,959 |
| Other Assets | 11 | 851,061 | 1,008,026 | 791,036 | 894,541 |
| Cash and Cash Equivalents | 15 | 3,939,067 | 3,520,114 | 776,152 | 635,418 |
| Total Current Assets | | 6,978,265 | 6,329,840 | 2,625,770 | 2,210,051 |
| Total Assets | | 26,176,687 | 25,271,850 | 22,545,481 | 21,759,990 |
| Equity and Reserves | | | | | |
| Share Capital | 24 | 1,039,398 | 1,039,398 | 1,039,398 | 1,039,398 |
| Share Premium | 25 | 1,381,072 | 1,381,072 | 1,381,072 | 1,381,072 |
| Retained Earnings | 26 | 4,520,258 | 4,285,004 | 5,200,683 | 5,152,827 |
| Equity attributable to equity holders of Parent | | 6,940,728 | 6,705,475 | 7,621,153 | 7,573,297 |
| Non-Controlling interest | 26.1 | 2,577,728 | 2,275,200 | - | - |
| | | 9,518,456 | 8,980,674 | 7,621,153 | 7,573,297 |
| Liabilities | | | | | |
| Non-Current Liabilities | | | | | |
| Due to Related Parties | 20 | 5,468,323 | 5,016,810 | 7,052,524 | 6,694,896 |
| Employee Benefits | 23 | 2,300,356 | 2,445,299 | 1,605,784 | 1,414,572 |
| Deferred Tax | 22 | 676,248 | 676,248 | 295,835 | 295,835 |
| Non-Total Current Liabilities | | 8,444,928 | 8,138,357 | 8,954,143 | 8,405,303 |
| Current Liabilities | | | | | |
| Trade and Other Payables | 18 | 2,389,744 | 2,477,201 | 741,965 | 556,772 |
| Deferred Income | 17 | 4,839,139 | 4,626,811 | 4,804,020 | 4,580,870 |
| Deposit for Shares | 19 | 93,600 | 93,600 | 93,600 | 93,600 |
| Dividend Payable | 21 | 43,437 | 43,437 | 16,691 | 16,691 |
| Bank Overdraft | 16 | 129,141 | 351,269 | 129,141 | 351,269 |
| Current Tax Payable | 22 | 718,242 | 560,501 | 184,767 | 182,188 |
| Total Current Liabilities | | 8,213,303 | 8,152,819 | 5,970,185 | 5,781,390 |
| Total Liabilities | | 16,658,231 | 16,291,176 | 14,924,327 | 14,186,693 |
| Total Equity and Liabilities | | 26,176,687 | 25,271,850 | 22,545,481 | 21,759,990 |

These financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 24 October 2017:



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



Mr. Theophilus Eniola Netufo
Chief Operating Officer
FRC/2013/ICAN/00000004775



Mr. Olayiwola Ositowo
Compliance Officer
FRC/2013/ICAN/00000004776

The accompanying notes form an integral part of these financial statements

**Statement of Comprehensive Income
For The Third Quarter Ended 30 September, 2017**

| | Note | The Group | | The Company | |
|---|------|--------------------|--------------------|--------------------|--------------------|
| | | 30-Sep-17 N'000 | 30-Sep-16 N'000 | 30-Sep-17 N'000 | 30-Sep-16 N'000 |
| Revenue | 4 | 8,546,854 | 7,572,931 | 4,579,771 | 3,950,850 |
| Cost of Sales | 5 | (5,778,931) | (5,929,206) | (3,073,677) | (3,111,386) |
| Gross Profit | | 2,767,923 | 1,643,724 | 1,506,094 | 839,463 |
| Other Income | 6 | 18,307 | 121,385 | 14,031 | 117,409 |
| Sales and Distribution Expenses | 8 | (379,244) | (355,555) | (167,121) | (161,602) |
| Administrative and General Expenses | 7 | (1,081,003) | (1,089,016) | (747,500) | (524,180) |
| Operating Profit | | 1,325,984 | 320,539 | 605,505 | 271,091 |
| Finance costs | 9 | (535,128) | (388,539) | (535,128) | (388,539) |
| Share of loss in investment accounted for using equity | | - | - | - | - |
| Profit/(Loss) before Taxation | | 790,855 | (68,000) | 70,376 | (117,448) |
| Current Tax Expense | 22 | (253,073) | (89,796) | (22,520) | - |
| Profit/(Loss) for the for the period | | 537,782 | (157,796) | 47,856 | (117,448) |
| Profit/(Loss) attributable to: | | | | | |
| Equity holders of the parent | | 235,253 | (275,626) | - | - |
| Non-controlling interest | | 302,529 | 117,829 | - | - |
| | | 537,782 | (157,796) | 47,856 | (117,448) |
| Other Comprehensive Income/(Loss) for the Period | | - | - | - | - |
| Total Comprehensive Income/(Loss) for the Period | | 537,782 | (157,796) | 47,856 | (117,448) |
| Earnings per share (kobo) | | 26 | (7.59) | 2 | (5.65) |
| Diluted Earnings per share (kobo) | | 26 | (7.59) | 2 | (5.65) |

Ikeja Hotel Plc

Statement of Changes in Equity as at 30 September, 2017

| | The Group | | | | | The Company | | | |
|--|------------------|------------------|-------------------|--------------------------|------------------|------------------|------------------|-------------------|------------------|
| | Issued Capital | Share Premium | Retained Earnings | Non-controlling interest | Total equity | Issued Capital | Share Premium | Retained Earnings | Total |
| | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 |
| Attributable to the Equity Holders of the Company | | | | | | | | | |
| Balance as at 31 December 2016 | 1,039,398 | 1,381,072 | 4,285,004 | 2,275,200 | 8,980,674 | 1,039,398 | 1,381,072 | 5,152,827 | 7,573,297 |
| Changes in Equity for the Period | | | | | | | | | |
| Profit/(Loss) for the period | | | 235,253 | 302,529 | 537,782 | - | - | 47,856 | 47,856 |
| Total Comprehensive Income for the Period | | | | | | | | | |
| | | | | | | | | | |
| At 30 September, 2017 | 1,039,398 | 1,381,072 | 4,520,258 | 2,577,728 | 9,518,456 | 1,039,398 | 1,381,072 | 5,200,683 | 7,621,153 |
| | | | | | | | | | |
| At 31 December, 2015 | 1,039,398 | 1,381,072 | 2,096,037 | 1,915,096 | 6,431,603 | 1,039,398 | 1,381,072 | 5,218,058 | 7,638,529 |
| Changes in Equity for the period | | | | | | | | | |
| | | | | | | | | | |
| Changes in Equity for the period | | | | | | | | | |
| Profit/(Loss) for the period | | | (275,626) | 117,829 | (157,796) | - | - | (117,448) | (117,448) |
| Total Comprehensive Income for the Period | | | | | | | | | |
| | | | | | | | | | |
| At 30 September, 2016 | 1,039,398 | 1,381,072 | 1,820,411 | 2,032,925 | 6,273,807 | 1,039,398 | 1,381,072 | 5,100,611 | 7,521,081 |

IKEJA HOTEL PLC (RC 10845) Unaudited Interim Financial Statements
**Statement of Cash Flows
For the Third Quarter Ended 30 September, 2017**

| | Notes | The Group | | The Company | |
|--|-------|------------------|------------------|--------------------|------------------|
| | | 30-Sep-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| Profit/(Loss) for the Period | | 537,782 | (157,796) | 47,856 | (117,448) |
| Adjustment for: | | | | | |
| Depreciation of PPE | 1 | 534,330 | 338,717 | 317,962 | 125,543 |
| Amortisation of Intangible Asset | 3 | 1,518 | 4,432 | 1,518 | 1,238 |
| Finance Costs | 9 | 535,128 | 388,539 | 535,128 | 388,539 |
| Post Employment Benefits | 7 | 88,143 | (298,325) | 191,212 | (80,567) |
| Income tax expense | 22 | 253,073 | 89,796 | 22,520 | - |
| | | 1,949,975 | 365,364 | 1,116,197 | 317,306 |
| Changes in: | | | | | |
| Inventories | 12 | 27,812 | 31,243 | 12,189 | (1,844) |
| Trade and Other Receivables | 10 | (414,248) | (487,305) | (390,679) | (154,936) |
| Other Assets | 11 | 156,964 | (201,803) | 103,505 | 20,341 |
| Loans and Receivables | 13 | (221,191) | (434,595) | (223,151) | (815,115) |
| Due from Related Parties | 14 | 813 | 92,956 | 813 | 92,956 |
| Trade and Other Payables | 18 | (87,457) | 651,078 | 185,193 | 651,078 |
| Deferred Income | 17 | 212,329 | 252,264 | 223,151 | 285,814 |
| Other Liabilities | | - | 140,985 | - | 140,985 |
| Due to Related Parties | 20 | 451,513 | (82,211) | 357,628 | (82,211) |
| | | 2,076,510 | 327,975 | 1,384,846 | 454,373 |
| Cash generated from Operating Activities | | | | | |
| Income tax paid | 22 | (64,188) | (152,826) | (19,940) | (108,578) |
| | | 2,012,322 | 175,149 | 1,364,906 | 345,795 |
| Cash Flows from Investing Activities | | | | | |
| Purchase of PPE | 1 | (372,256) | (372,256) | (189,718) | (89,821) |
| Additions/Utilization of Capital Work in Progress | 2 | (277,197) | (277,197) | (277,197) | (400,528) |
| | | (649,453) | (649,453) | (466,915) | (490,348) |
| Cash Flows from Financing Activities | | | | | |
| Finance Costs | 9 | (535,128) | (388,539) | (535,128) | (388,539) |
| | | (535,128) | (388,539) | (535,128) | (388,539) |
| Dividend Paid | | | (5,558) | - | - |
| Net Increase in Cash and Cash Equivalent | | 827,740 | (862,843) | 362,862 | (533,092) |
| Cash and Cash Equivalents at the beginning of the period | | 3,520,114 | 3,170,993 | 284,149 | 558,008 |
| Cash and Cash Equivalent at the end of the period | | 4,347,854 | 2,308,150 | 647,011 | 24,916 |

SCHEDULE OF PROPERTY PLANT AND EQUIPMENT
For the Third Quarter Ended 30 September, 2017

The Group

| | Land | Buildings | Hotel Equipment | Office Equipment | Computer Equipment | Motor Vehicles | Total |
|---------------------------------------|------------------|------------------|------------------------|-------------------------|---------------------------|-----------------------|-------------------|
| | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 |
| 1 Cost | | | | | | | |
| At 1st January | 3,440,742 | 1,590,382 | 4,438,427 | 3,409,614 | 189,931 | 485,228 | 13,554,324 |
| Addition | - | 56,615 | 182,994 | 111,782 | 17,626 | 3,240 | 372,256 |
| Adjustment | - | 483 | 3,000 | (19,843) | - | 404 | (15,955) |
| At 30 September, 2017 | 3,440,742 | 1,647,481 | 4,624,421 | 3,501,553 | 207,556 | 488,873 | 13,910,625 |
| Depreciation | | | | | | | |
| At 1st January | | 729,647 | 3,137,552 | 2,502,938 | 170,778 | 450,939 | 6,991,855 |
| Adjustment | | 4,706 | (15) | 50,764 | | 5,426 | 60,881 |
| Depreciation charge during the period | - | 30,722 | 368,487 | 108,920 | 13,113 | 9,894 | 531,135 |
| At 30 September, 2017 | - | 765,075 | 3,506,023 | 2,662,622 | 183,891 | 466,260 | 7,583,871 |
| Carrying Amount | | | | | | | |
| At 30 September, 2017 | 3,440,742 | 882,405 | 1,118,397 | 838,931 | 23,665 | 22,613 | 6,326,754 |
| At 31 December, 2016 | 3,440,742 | 860,735 | 1,300,875 | 906,676 | 19,153 | 34,289 | 6,562,469 |

The Company

| | Land | Buildings | Hotel Equipment | Office Equipment | Computer Equipment | Motor Vehicles | Total |
|---------------------------------------|------------------|------------------|------------------------|-------------------------|---------------------------|-----------------------|------------------|
| | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 | =N='000 |
| 1 Cost | | | | | | | |
| At 1st January | 3,084,350 | 745,849 | 2,252,505 | 73,049 | 189,931 | 249,214 | 6,594,897 |
| Addition | - | 9,174 | 158,028 | 4,890 | 17,626 | - | 189,718 |
| At 30 September, 2017 | 3,084,350 | 755,023 | 2,410,534 | 77,938 | 207,556 | 249,214 | 6,784,615 |
| Depreciation | | | | | | | |
| At 1st January | - | 460,275 | 1,566,330 | 57,509 | 170,778 | 238,887 | 2,493,779 |
| Depreciation charge during the period | - | 21,425 | 275,642 | 3,908 | 13,113 | 3,875 | 317,962 |
| At 30 September, 2017 | - | 481,700 | 1,841,972 | 61,416 | 183,891 | 242,762 | 2,811,741 |
| Carrying Amount | | | | | | | |
| At 30 September, 2017 | 3,084,350 | 273,324 | 568,562 | 16,522 | 23,665 | 6,452 | 3,972,874 |
| At 31 December, 2016 | 3,084,350 | 285,574 | 686,175 | 15,540 | 19,153 | 10,327 | 4,101,119 |

| <i>NOTES TO THE ACCOUNTS</i> | | The Group | | The Company | |
|------------------------------|---|------------------|------------------|--------------------|------------------|
| Note | | 30-Sep-17 | 31-Dec-16 | 30-Sep-17 | 31-Dec-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| 2 | Capital Work in Progress | | | | |
| | At 1 January | 4,268,744 | 2,252,946 | 3,744,941 | 1,729,143 |
| | Additions in the period | 277,197 | 2,015,798 | 277,197 | 2,015,798 |
| | Total | 4,545,941 | 4,268,744 | 4,022,138 | 3,744,941 |
| | This represents on going renovation works at the hotel | | | | |
| 3 | Intangible Asset | | | | |
| 3.1 | Computer Software | | | | |
| | Cost/Valuation | 30-Sep-17 | 31-Dec-16 | 30-Sep-17 | 31-Dec-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| | At 1 January | 46,080 | 33,267 | 20,236 | 20,236 |
| | Additions for the year | - | 12,813 | - | - |
| | Total | 46,080 | 46,080 | 20,236 | 20,236 |
| 3.2 | Amortization | | | | |
| | At 1 January | 13,312 | 9,866 | 8,028 | 6,004 |
| | Adjustment | 735 | - | - | - |
| | Charge for the period | 4,712 | 3,446 | 1,518 | 2,024 |
| | At 30 September, 2017 | 18,759 | 13,312 | 9,546 | 8,028 |
| 3.3 | Carrying Value | 27,320 | 32,767 | 10,690 | 12,208 |
| 4 | Revenue | 30-Sep-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| | Rooms | 6,917,115 | 6,209,383 | 2,950,032 | 2,587,302 |
| | Food & Beverage | 1,258,682 | 1,086,383 | 1,258,682 | 1,086,383 |
| | Minor Operating Departments | 54,184 | 43,544 | 54,184 | 43,544 |
| | Miscellaneous Income | 316,873 | 233,620 | 316,873 | 233,620 |
| | Total | 8,546,854 | 7,572,931 | 4,579,771 | 3,950,850 |
| 5 | Cost of Sales | 30-Sep-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| | Rooms | 3,363,980 | 3,376,745 | 658,726 | 558,925 |
| | Food & Beverage | 1,023,884 | 840,646 | 1,023,884 | 840,646 |
| | Minor Operating Departments | 33,313 | 447,674 | 33,313 | 447,674 |
| | Cost of Sales - Head Office | 16,438 | 135,918 | 16,438 | 135,918 |
| | Administrative & General | 658,977 | 517,620 | 658,977 | 517,620 |
| | Info & Telecom System | 113,674 | 107,865 | 113,674 | 107,865 |
| | Property Operations & Maintenance | 226,045 | 223,579 | 226,045 | 223,579 |
| | Rental Income Expenses | 38,739 | - | 38,739 | - |
| | Utilities | 303,881 | 279,159 | 303,881 | 279,159 |
| | Total | 5,778,931 | 5,929,206 | 3,073,677 | 3,111,386 |
| 6 | Other Income | 30-Sep-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| | Sales of Scrap | 14,031 | 1,183 | 14,031 | 220 |
| | Exchange Gain on Translation of Currency | 4,276 | 120,202 | - | 117,189 |
| | Total | 18,307 | 121,385 | 14,031 | 117,409 |
| 7 | Administrative Expenses | 30-Sep-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| | | 1,081,003 | 1,089,016 | 747,500 | 524,180 |
| 8 | Sales & Marketing Expenses | 30-Sep-17 | 30-Sep-16 | 30-Sep-17 | 30-Sep-16 |
| | | N'000 | N'000 | N'000 | N'000 |
| | | 379,244 | 355,555 | 167,121 | 161,602 |
| 9 | Finance Income and Finance Cost | 30-Sep-17 | 30-Sep-16 | 30-Sep-17 | 24-Nov-32 |
| | | N'000 | N'000 | N'000 | N'000 |
| | Interest Expense | 535,128 | 388,539 | 535,128 | 388,539 |
| | Net Finance Cost | 535,128 | 388,539 | 535,128 | 388,539 |
| | Interest expense represents charges paid and/or payable on loans. | | | | |

| | The Group | | The Company | |
|--|------------------|------------------|------------------|------------------|
| | 30-Sep-17 | 31-Dec-16 | 30-Sep-17 | 31-Dec-16 |
| | N'000 | N'000 | N'000 | N'000 |
| 10 Trade and Other Receivables | | | | |
| Trade and Other Receivables | 1,829,011 | 1,269,469 | 833,082 | 436,607 |
| Allowances for Impairment Losses | (251,599) | (68,984) | (112,100) | (68,984) |
| Net Trade Receivables | 1,577,412 | 1,200,485 | 720,982 | 367,624 |
| Other Receivables | 58,657 | 21,335 | 58,657 | 21,335 |
| Total | 1,636,068 | 1,221,820 | 779,638 | 388,959 |
| 11 Other Assets | | | | |
| Prepayments | 162,667 | 210,788 | 102,642 | 97,304 |
| Withholding tax receivables | 687,540 | 687,540 | 687,540 | 687,540 |
| Advances to Suppliers | - | 108,973 | - | 108,973 |
| Advances to Employees | 854 | 725 | 854 | 725 |
| Total | 851,061 | 1,008,026 | 791,036 | 894,541 |
| 11.1 Analysis of Prepayments | | | | |
| P/PM PC's Software | 15,127 | 6,248 | 15,127 | 6,248 |
| Prepaid Rent | 5,821 | 5,278 | 5,821 | 5,278 |
| Prepaid Maintenance | 7,400 | 2,237 | 7,400 | 2,237 |
| Prepaid Dues and Subscription | 13,974 | 1,571 | 13,974 | 1,571 |
| Prepaid Insurance | 8,139 | 76,528 | 8,139 | 76,528 |
| Prepaid - Others | 112,207 | 118,925 | 52,182 | 5,441 |
| Total | 162,667 | 210,788 | 102,642 | 97,304 |
| 11.2 Advances to Suppliers - Foreign | | | | |
| Advances to Suppliers - Foreign | - | 58,241 | - | 58,241 |
| Advances to Suppliers - Local | - | 50,732 | - | 50,732 |
| Total | - | 108,973 | - | 108,973 |
| 12 Inventories | | | | |
| Food & Beverage | 133,464 | 122,456 | 53,215 | 61,377 |
| Maintenance Supplies | 162,330 | 180,774 | 93,285 | 86,122 |
| Operating Supplies | 196,961 | 113,821 | 101,429 | 108,922 |
| General Stores | 59,313 | 162,829 | 31,013 | 34,711 |
| Total | 552,069 | 579,880 | 278,943 | 291,132 |
| 13 Loans and Receivables | | | | |
| At 1 January | 6,950,683 | 4,653,928 | 5,950,682 | 3,653,928 |
| Interest Capitalised | 221,191 | 283,366 | 223,151 | 283,366 |
| Exchange Revaluation | - | 2,013,389 | - | 2,013,389 |
| Total | 7,171,873 | 6,950,683 | 6,173,833 | 5,950,682 |
| Loans and receivable relate to receivable from The Tourist Company of Nig. Plc | | | | |
| 14 Due from Related Party | | | | |
| Federal Palace/Sun | 15,956 | 16,770 | 15,956 | 16,770 |
| Hans-Gremlin (Nigera) Ltd. | - | - | 484,578 | 484,578 |
| Others | 311,854 | 311,854 | - | - |
| Total | 327,810 | 328,624 | 500,534 | 501,348 |
| The carrying amount of due from related party relate to their fair value | | | | |
| 15 Cash & Cash Equivalents | | | | |
| Cash in Hand | 3,203 | 4,996 | 933 | 933 |
| Cash at Bank | 1,383,699 | 887,177 | 775,219 | 634,485 |
| Time Deposits | 1,386,902 | 892,173 | 776,152 | 635,418 |
| As per Statement of Financial position | 3,939,067 | 3,520,114 | 776,152 | 635,418 |

| | The Group | | The Company | |
|--|------------------|------------------|------------------|------------------|
| 15.1 Cash in Hand | | | | |
| Sheraton Cash & Bank | 3,203 | 4,996 | 933 | 933 |
| | <u>3,203</u> | <u>4,996</u> | <u>933</u> | <u>933</u> |
| 15.2 Cash at Bank | | | | |
| Diamond Bank | 71 | 71 | 71 | 71 |
| Zenith Bank | 19,192 | - | 19,192 | - |
| Diamond bank (Sheraton & H/Office) | 587,643 | 400,857 | 587,643 | 400,857 |
| Sheraton Cash Replacement Reserve | 168,012 | 233,257 | 168,012 | 233,257 |
| Sterling Bank | 302 | 302 | 302 | 302 |
| Other Banks | 624,317 | 252,692 | - | - |
| Total | <u>1,399,536</u> | <u>887,177</u> | <u>775,219</u> | <u>634,485</u> |
| | 30-Sep-17 | 31-Dec-16 | 30-Sep-17 | 31-Dec-16 |
| | N'000 | N'000 | N'000 | N'000 |
| 16 Bank Overdraft | <u>129,141</u> | <u>351,269</u> | <u>129,141</u> | <u>351,269</u> |
| 16.1 Diamond bank - acct 2 | 9,867 | - | 9,867 | - |
| Zenith Bank | - | 808 | - | 808 |
| Sheraton Overdraft | 119,274 | 350,461 | 119,274 | 350,461 |
| Total | <u>129,141</u> | <u>351,269</u> | <u>129,141</u> | <u>351,269</u> |
| | 30-Sep-17 | 31-Dec-16 | 30-Sep-17 | 31-Dec-16 |
| | N'000 | N'000 | N'000 | N'000 |
| 17 Deferred Income | <u>4,839,139</u> | <u>4,626,811</u> | <u>4,804,020</u> | <u>4,580,870</u> |
| 18 Trade and Other Payables | | | | |
| Trade Payables | 322,817 | 370,835 | 69,371 | 121,958 |
| Accrued Expenses (note 18.1) | 1,661,618 | 1,808,148 | 331,055 | 211,828 |
| Due to Starwood Eame License and Service Company | 23,908 | 23,908 | 23,908 | 23,908 |
| VAT Payables | 17,265 | 16,348 | 17,265 | 16,348 |
| Advance Deposit | 3,943 | 774 | 3,943 | 774 |
| Service Charge Distribution | 37,733 | 37,685 | 37,733 | 37,685 |
| Other Credit Balances | 322,462 | 219,503 | 258,691 | 144,271 |
| Total | <u>2,389,744</u> | <u>2,477,201</u> | <u>741,965</u> | <u>556,772</u> |
| 18.1 Accrued Expenses Analyses | | | | |
| Expenses | 1,579,483 | 1,752,239 | 248,920 | 155,919 |
| Electricity | 19,885 | 23,327 | 19,885 | 23,327 |
| Utilities | - | 102 | - | 102 |
| Professional Fees | 8,579 | 7,414 | 8,579 | 7,414 |
| LASG Consumption Tax | 21,978 | 21,927 | 21,978 | 21,927 |
| Unclaimed Property - SLH - Guests. Deposits | 145 | 145 | 145 | 145 |
| Charitable | 4 | 11 | 4 | 11 |
| Sheraton Corporation - Reservation | 31,543 | 2,985 | 31,543 | 2,985 |
| Total | <u>1,661,618</u> | <u>1,808,148</u> | <u>331,055</u> | <u>211,828</u> |
| | 30-Sep-17 | 31-Dec-16 | 30-Sep-17 | 31-Dec-16 |
| | N'000 | N'000 | N'000 | N'000 |
| 19 Deposit for Shares | <u>93,600</u> | <u>93,600</u> | <u>93,600</u> | <u>93,600</u> |
| 20 Due to Related Parties | | | | |
| Capital Hotel Plc | - | - | 1,026,696 | 1,114,292 |
| IHL Services limited | - | - | 557,505 | 563,794 |
| Alurum investment Ltd/Omamo Trust Limited | 2,694,254 | 2,471,793 | 2,694,254 | 2,471,793 |
| Minabo Limited | 1,574,088 | 1,444,117 | 1,574,088 | 1,444,117 |
| AVI Services/G. M. Ibru | 1,199,981 | 1,100,900 | 1,199,981 | 1,100,900 |
| Total | <u>5,468,323</u> | <u>5,016,810</u> | <u>7,052,524</u> | <u>6,694,896</u> |
| | 30-Sep-17 | 31-Dec-16 | 30-Sep-17 | 31-Dec-16 |
| | N'000 | N'000 | N'000 | N'000 |
| 21 Dividend | <u>43,437</u> | <u>43,437</u> | <u>16,691</u> | <u>16,691</u> |
| 22 Taxation | | | | |
| 22.1 Current Tax Payable | | | | |
| As at January | 560,501 | 984,724 | 182,188 | 647,095 |
| Provision during the period | 253,073 | 252,479 | 22,520 | 22,586 |
| Reversal of provision | (31,144) | - | - | - |
| Payment during the period | (64,188) | (676,702) | (19,940) | (487,493) |
| At 30 September 2017 | <u>718,242</u> | <u>560,501</u> | <u>184,768</u> | <u>182,188</u> |

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

| | The Group | | The Company | |
|---|--------------------|--------------------|--------------------|--------------------|
| | 30-Sep-17 N'000 | 31-Dec-16 N'000 | 30-Sep-17 N'000 | 31-Dec-16 N'000 |
| 22.2 Deferred Taxation | | | | |
| At January | 676,248 | 676,248 | 295,835 | 295,835 |
| Write back/Charge in the period | - | - | - | - |
| At 30 September 2017 | 676,248 | 676,248 | 295,835 | 295,835 |
| 22.3 Current Tax Charges | | | | |
| Income Tax | 237,256 | 157,088 | 21,113 | 21,174 |
| Education Tax | 15,818 | 10,473 | 1,408 | 1,412 |
| | 253,073 | 167,560 | 22,520 | 22,586 |
| Deferred Taxation Income Statement | - | - | - | - |
| | 253,073 | 167,560 | 22,520 | 22,586 |
| 22.4 Reconciliation of Effective Tax Rate | | | | |
| Profit before tax | - | - | 47,856 | (117,448) |
| Tax @ 30% | | - | 14,357 | - |
| Deductable Items | | - | - | - |
| Balancing Charge | | - | - | - |
| Capital Allowance | | - | - | - |
| Education Tax | | - | - | - |
| Deferred Tax Effect | | - | - | - |
| Tax Expense for the Period | | - | 14,357 | - |
| Profit/(Loss) after Tax | - | - | 33,499 | (117,448) |
| Tax Payable/Deferred Tax | | | | |
| <i>The Company has adopted the IFRS 12 - Income Taxes, Deferred Taxation which is computed using the liability method</i> | | | | |
| 23 Employee Benefits | | | | |
| At 1, January | 2,445,299 | 3,050,524 | 1,414,572 | 1,694,643 |
| Payment in the period | (375,163) | (605,465) | - | (264,847) |
| Provision for the year | 230,220 | 240 | 191,212 | - |
| At 30 September 2017 | 2,300,356 | 2,445,299 | 1,605,784 | 1,414,572 |
| 24 Share Capital | | | | |
| 24.1 Authorised | | | | |
| 4,000,000,000 Ordinary shares of 50 kobo each | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| 24.2 Issued and fully paid | | | | |
| At 1 January | 1,039,398 | 1,039,398 | 1,039,398 | 1,039,398 |
| At 30 September 2017 | 1,039,398 | 1,039,398 | 1,039,398 | 1,039,398 |
| Number: 2,078,796,396 ordinary shares of 50 kobo each | | | | |
| 25 Share Premium Reserve | | | | |
| At 1 January | 1,381,072 | 1,381,072 | 1,381,072 | 1,381,072 |
| At 30 September 2017 | 1,381,072 | 1,381,072 | 1,381,072 | 1,381,072 |
| 26 Retained Earnings | | | | |
| At 1 January | 4,285,004 | 4,275,536 | 5,152,827 | 5,218,058 |
| Transfer from profit & loss account | 235,253 | 9,468 | 47,856 | (65,231) |
| At 30 September 2017 | 4,520,258 | 4,285,004 | 5,200,683 | 5,152,827 |
| 26.1 Non-controlling interest | | | | |
| At 1 January | 2,275,200 | 1,973,754 | - | - |
| Share of profit | 302,529 | 301,445 | - | - |
| At 30 September 2017 | 2,577,728 | 2,275,200 | - | - |
| 27 Investment in Subsidiary | | | | |
| Hans Gremin Nigeria Limited | - | - | 4,440,919 | 4,440,919 |
| The Ikeja Hotel Plc holds 75% of the issued share of Hans Gremin Nigeria Limited a special purpose vehicle used in acquiring 51% of the issued share capital of Capital Hotels Plc. | | | | |
| 28 Investment Accounted for the Equity Method | | | | |
| At 1 January | 798,722 | 798,722 | 798,722 | 798,722 |
| Share of loss of joint venture | - | - | - | - |
| At 30 September 2017 | 798,722 | 798,722 | 798,722 | 798,722 |
| Investment relates to 273,529,085 units of stock in The Tourist Company of Nigeria Plc. | | | | |

**Statement of Comprehensive Income Forecast
For The Quarter Ending 31 DECEMBER, 2017**

| | 12 Months =N='000 |
|---|------------------------------|
| Turnover | 10,683,568 |
| Cost of Sales | <u>(7,223,664)</u> |
| Gross Operating Profit | 3,459,903 |
| Operating Expenses | <u>(1,825,308)</u> |
| Result from Operating Activities | 1,634,595 |
| Net finance costs | <u>(668,910)</u> |
| Profit/(Loss) before Taxation | 965,685 |
| Current Tax Expense | <u>(316,342)</u> |
| Profit for the period | <u><u>649,343</u></u> |

**UNAUDITED RESULT FOR THIRD QUARTER
ENDED 30 SEPTEMBER, 2017**

| | 09/30/2017 =N='000 | 09/30/2016 =N='000 | % Change |
|---------------------------------|-------------------------------|-------------------------------|---------------------|
| TURNOVER | 8,546,854 | 7,572,931 | 12.86 |
| OPERATING PROFIT | 1,325,984 | 320,539 | 313.67 |
| FINANCE CHARGES | (535,128) | (388,539) | (37.73) |
| PROFIT/(LOSS) BEFORE TAX | 790,855 | (68,000) | 1,263.03 |
| TAXATION | (253,073) | (89,796) | (181.83) |
| PROFIT/(LOSS) AFTER TAX | 537,782 | (157,796) | 440.81 |