IKEJA HOTEL PLC (RC. 10845)

...Service par Excellence

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

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Contents | **Page**

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	10
Report of the Statutory Audit Committee	11
Independent Auditor's report	12
Consolidated and separate statement of financial position	15
Consolidated and separate statement of profit or loss and other comprehensive income	16
Consolidated and separate statement of changes in equity	17
Consolidated and separate statement of cash flows	18
Notes to the consolidated and separate financial statements	19
Other national disclosures:	
Statement of value added	55
Financial summary - Group	56
Financial summary - Company	57

IKEJA HOTEL PLC
Corporate Information

Country of Incorporation and Domicile:	Nigeria RC 10845
Directors:	Chief Anthony Idigbe, SAN (Chairman) Mr Theophilus Eniola Netufo, FCA (Managing Director) Mr. Toke Alex Ibru Mr. Ufuoma Ibru Dr. Alexander Thomopulos Mr. Kunle Aluko Alhaji Abatcha Bulama, FCA Mrs. Fadeke Olugbemi, FCA
Registered Office	84, Opebi Road Ikeja Lagos Tel: 02-2701060, 01-4480887 Website: www.ikejahotelplc.com Email: info@ikejahotelplc.com
Company Secretaries:	Punuka Nominees Limited Plot 45 Oyibo Adjarho Street Off Ayinde Akinmade Street Off Admiralty Way Lekki Penisula Phase 1, Lagos.
Bankers:	Access Bank Plc Zenith Bank Plc Union Bank Plc Sterling Bank Plc
Joint Auditors:	Messrs Ugochukwu, Ike & Co (Chartered Accountants) 1, Obalodu Street Ilupeju - Lagos. Ahmed Zakari & Co (Chartered Accountants) 22B, Oladipo Diya Crescent 2nd Avenue Estate Ikoyi-Lagos
Registrar:	Greenwich Registrars and Data Solutions Limited 274, Murtala Muhammed Way Yaba Lagos Email: info@gtlregistrars.com

IKEJA HOTEL PLC

Certification of Financial Statements

In compliance with Section 60(2) of the Investment and Securities Act, 2007, we have reviewed the audited Financial Statements of the Group for the year ended 31 December 2021.

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

The Financial Statements, and other financial information included therein, present fairly in all material respects the consolidated statement of financial position, consolidated statement of financial performance and consolidated statement of cash flows of the Group for the year ended 31 December 2021.

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

Based on the foregoing, we, the undersigned, hereby certify that to the best of our knowledge and belief, the information contained in the audited Financial Statements of Ikeja Hotel Plc for the year ended 31 December 2021 are complete, accurate and free from any material misstatement.

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

15 March 2022

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

15 March 2022

IKEJA HOTEL PLC

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are pleased to submit to the members of Ikeja Hotel Plc (the "Company"), its report together with the audited financial statements for the year ended 31 December 2021.

1. Legal Status and principal activities

The Company was incorporated as Properties Development Limited on November 18,1972 with a view to provide 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 Hans Gremlin Limited and the financial statements of Hans Gremlin has been consolidated with the Company's Group 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**	
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Turnover	9,868,545	5,068,571	6,169,855	3,120,988
Profit/(loss) before taxation	200,934	(7,335,918)	206,650	(1,621,065)
Tax charge	(381,548)	614,217	(63,691)	389,358
Profit/(loss) after taxation	(180,614)	(6,721,701)	142,959	(1,231,707)

4. Additions to property, plant and equipment

Additions to property, plant and equipment during the year ended 31 December 2021 for the Group and Company amounted to N201.266 million and N80.996 million respectively (31 December 2020: N241.190 million and N100.507 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 do not recommend the payment of dividend

6. Directors and their interest

The Directors who held office for the year ended December 31, 2021, 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:

	2021		2020	
	No. of shares held		No. of shares held	
	Direct	**Indirect**	**Direct**	**Indirect**
Dr. Alexander Thomopulus	1,869,205		1,869,205	
Mr Kunle Aluko (Aluko Moses)	60,000		60,000	

7. Substantial Shareholdings

As at 31 December 2021, 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	544,536,537	26.19
Wagmest Nigeria Limited	180,148,768	8.67
RFC Limited	152,410,464	7.33
Alurum Investment Limited	112,914,212	5.43
Dr. Obafoluke Otudeko, MFR, OFR	105,840,000	5.09
Associated Ventures International Limited	155,183,927	7.47

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 Ngerian 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.

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
Mrs. Fadeke Olugbemi, FCA	Non-Executive Director
Mr. Kunle Aluko	Non-Executive Director
Dr. Alexander Thomopulos	Non-Executive Director
Mr. Toke Alex- Ibru	Non-Executive Director
Mr. Ufuoma Ibru	Non-Executive Director

The Board met seven times during the financial year (January 20 2021, March 15 2021, April 27 2021, June 11 2021, July 22, 2021, October 21 2021 and November 29 2021). 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	6
Mr Theophilus Eniola Netufo (MD)	7
Alhaji Bulama Abatcha, FCA	7
Mrs. Fadeke Olugbemi, FCA	6
Mr. Kunle Aluko	7
Dr. Thomopulos Alexander	3
Mr. Toke Alex- Ibru	7
Mr. Ufuoma Ibru	6

10. Board appointments

The Company has a Board-approved Nomination Policy which sets out the procedure for appointing directors. Considerations for Board appontments include: diversity, conflict of interest, practical wisdom and good judgement, financial literacy, specialized professional skills amongst other requirements. There were no new appointments to the Board during the year.

11. Remuneration policy

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

12. 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.

13. 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.

14. Human Resources Policy

(a.) Recruitment

The Company conformed 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.

15. Dealing in Issuers' Shares Policy (continued) and Insider Information Disclosure Policy

In accordance with the Post-Listing Rules of the Nigerian Stock Exchange, Ikeja Hotel Plc has in place a share dealing policy which regulates securities transactions by its Directors, Employees and other Insiders on terms which are no less exacting than the required standard set out in the Nigerian Stock Exchange Rules. The Policy is to be communicated periodically to derive compliance. In respect of the year ended December 31, 2021, the Directors of Ikeja Hotel Plc hereby confirm that: A code of conduct regarding securities transactions by all Directors was adopted by the Company. The Board also reviewed and updated the Policy.

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 adopted an Insider Information Disclosure Policy to outline rules with respect to the proper use and disclosure of price sensitive information pertaining to the Company's securities.

16. Board Committees

The board for the year under review had three committees, Finance, Risk and General Purpose Committee, Nominations Establishment Governance Committee and Audit Committee.

Finance, Risk and General Purpose Committee

The Finance, Risk and General-Purpose Committee Board met four times during the financial year (March 12, 2021, April 20, 2021, July 19, 2021 and October 18, 2021). The record of directors' attendance at this committee meetings held during the financial year under review is set below:

Finance, Risk and General-Purpose Committee

Alhaji Bulama Abatcha, FCA- (Chairman)	4
Mrs Fadeke Olugbemi, FCA	4
Mr Toke Alex- Ibru	2
Mr Ufuoma Ibru	4
Dr. Thomopulos Alexander	1

Nominations Establishment Governance Committee

The Nominations Establishment Governance Committee Board met four times during the financial year (March 12, 2021, April 20, 2021, July 19, 2021 and October 18, 2021). The record of directors' attendance at this committee meetings held during the financial year under review is set below:

Mrs. Fadeke Olugbemi, FCA-(Chairman)	4
Mr. Toke Alex- Ibru	3
Mr. Ufuoma Ibru	4
Mr. Kunle Aluko	4
Alhaji Bulama Abatcha	4

17. 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 five times (January 18, 2021, March 10, 2021, April 19, 2021, July 16, 2021 and October 18, 2021). Those who served on the Audit Committee during the year under review and their

Alhaji Bulama Abatcha, FCA- (Chairman)	5
Alhaji Wahab A. Ajani	5
Mr. Adelakun Lukmon Adesola	5
Mr. Kunle Aluko	5
Mr. Peter Eyanuku	5

18. Company Distributors

The Company has no distributors.

	2021 N'000	2020 N'000
19. Donations		
Donations made by Company during the year was as follows:		
Veritas University Abuja	1,000	-
Centre for Destitute Empowerment International	-	530
	1,000	530

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 2021 financial year. (2020: Nil)

20. Impact of COVID -19

Information on the impact of COVID-19 on the operations of the Company are on note 48 of the financial statements.

21. Compliance with regulatory requirement

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

22. Auditors

Ahmed Zakari & Co and Ugochukwu, Ike & Co 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

Deborah Okpiaifo
FRC/2020/002/00000021046
Punuka Nominees Ltd
Secretary

15 March 2022

IKEJA HOTEL PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021 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 Act, No 6, 2011 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 2021.

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
Director
FRC/2014/NBA/00000010414

15 March 2022

Alhaji. Abatcha Bulama, FCA
Director
FRC/2014/ICAN/00000006535

15 March 2022

IKEJA HOTEL PLC

STATEMENT OF CORPORATE RESPONSIBILITY FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with Section 405 of the Companies and Allied Matters Act, 2020, the Managing Director/Chief Executive Officer and the Controller of Finance/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 2021 have reviewed the audited consolidated and separated financial statements and based on their knowledge the:

i. Audited consolidated and separate financial statements do no 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 financal 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 officers 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 in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and have identified for the Group's auditors any material weaknesses in internal controls.

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/ICAN/00000004775

15 March 2022

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

15 March 2022

IKEJA HOTEL PLC

REPORT OF THE STATUTORY AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2021

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 2021.

We have exercised our statutory functions under the Companies and Allied Matters Act, 2020 and acknowledge the cooperations of management and staff in the conduct of these responsibilities.

We are of the opinion that the accounting and reporting policies of the Company and Group are in agreement with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2021 was satisfactory and reinforce the Group's internal control systems.

We have deliberated on the findings of the external auditors and have confirmed that necessary cooperation was received from management in the course of their statutory audit and we are satisfied with management's responses to the external auditors' recommendations thereon and with the effectiveness of the Company's system of accounting and internal control.

Alhaji Abatcha Bulama
FRC/2014/ICAN/00000006535
Chairman, Audit Committee
15 March 2022

Members of the Audit Committee are:

Alhaji Bulama Abatcha, FCA- (Chairman)	Chairman
Alhaji Wahab A. Ajani	Shareholder
Mr. Adelakun Lukmon Adesola	Shareholder
Mr. Kunle Aluko	Director
Mr. Peter Eyanuku	Shareholder

Independent Auditors' Report

To the Shareholders of Ikeja Hotel Plc

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ikeja Hotel Plc. (''the Company'') and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and with the requirements of the Companies and Allied Matters Act, 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Forensic audit

We draw your attention to notes 25.2 and 46 relating to the concluded forensic audit instituted at the instance of the Securities and Exchange Commission (SEC) on the affairs of the Company. The Board expects that the outcome of the investigation will provide for a resolution of all legacy matters which were the object of the investigation. Our opinion is not qualified in this regard.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How the matter was addressed in the audit
a) Trade receivables impairment allowance:	
The calculation of impairment allowance on trade receivables is based on the requirements of IFRS 9 which stipulates a change from the Incurred Loss Model under IAS 39 to the Expected Credit Loss Model (ECL). The Company adopts the application of the simplified approach under the ECL model in calculating impairments on trade receivables. The simplified approach under the ECL model is based on a provision matrix and involves the following steps:	We reviewed the Company's governance policies on the implementation of appropriate credit controls and credit risks practices over its trade receivables.
Creating groups for trade receivables based on similar credit risks characteristics.	We reviewed internal controls around the ECL impairment model by testing the design and implementation and operating effectiveness of the key controls related to the model Including:
Collection of historical loss rates data and determining the period of applicability of the data.	- Evaluation of critical sources of external information applied to the model. - Assessing users understanding of the workings of the model.

Key audit matters	How the matter was addressed in the audit
Determination of the expected loss rates for each of the groups of	'- Implementation of controls to guard against

trade receivables created based on established periods for whch 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.	unauthorized changes to variables applied in the model We challenged the reasonability and rational of management's judgements in the application of estimates and assumptions used in the model based on our understanding and knowledge of the Company's business, industry characterics of the trade receivables groups created and existing macro economic conditions.
Determination of the expected credit losses The calculation of the impairment allowance on the trade receivables is a key audit matter because it involves the use of significant judgement in the determination of the estimates and assumptions applied. Further disclosure are on notes 15 and 47.6	Tested the accuracy of historical data and the determination of the expected loss rates for the groups of the trade receivables established. Performed a recomputation of the impairment allowance based on the ECL model and compared the outcome of our result with the allowance computed by management.
b) Valuation of long term employee benefits liability	
The Company implements a defined benefit plan in addition to a defined contribution plan imposed by the Pension Reform Act 2014. The carrying amount of the defined benefit plan is significant. Management contracts experts to carry out actuarial valuation of the defined benefit plan as required by IAS 19. The valuation methods and assumptions therein adopted by the experts involves significant judgment resulting in the defined benefit plan included In KAM. Further disclosures on the retirement benefit plan are on Note 26.	Assessed competence, qualification, experience and objectivity of the expert/valuer. Reviewed basis of valuation for reasonableness by evaluating the underlying assumptions, estimates. Checked that basis of valuation is permissible under IAS 19. Carried out independent review of data inputs for consistency with the assumptions and estimates applied. Assessed the adequacy of the disclosures pertaining the long term employee benefits liability in the financial statements.
c) Loans from related parties	
The Company has outstanding loan balances due to related parties. The terms of these balances were mutually agreed but not formally documented and executed. Interest at 12% per annum are compounded annually on the outstanding loan balances. No payment of either principal or interest has been made. The forensic audit instituted by the Securities and Exchange Commission (SEC) was recently concluded. The Board expects that the outcome of the forensic audit would provide an opportunity for a resolution to all legacy issues around these balances. Further disclosures are on note 25.2.	We had examined predecesor audit working papers for consistency of the carrying amounts of the reported loan balances. Examined available information relating to the loan balances. Sent out third party confirmation requests. Obtained management representation.

Other information

The directors are responsible for the other information. The other information comprises the Chairman's statement, Directors' Report; Audit Committee's Report, Corporate Governance Report and Company Secretary's report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appeared to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and those charged with Governance for the consolidated financial statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and in compliance with the Financial Reporting Council of Nigeria Act, No 6, 2011 and the requirements of the Companies and Allied Matters Act, 2020 and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance to the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Matters

In compliance with the requirements of schedule 5 of the Companies and Allied Matters Act, 2020. We confirm that:

- We have obtained all information and explanation which to the best of our knowledge and belief were necessary for the purpose of the audit.
- The Group has kept proper books of account so far as appears from our examination of those books and returns adequate for the audit have been received from branches not visited by us.
- The Group and Company's statements of financial position and profit or loss and other comprehensive income are in agreement with the books of account.

Omoniyi Falaiye, FCA
FRC/2014/ICAN/00000007055
For: Ugochukwu, Ike & Co.
(Chartered Accountants)
Lagos, Nigeria

16 March 2022

Olukayode Lawal, FCA
FRC/2013/ICAN/00000000748
For: Ahmed Zakari & Co.
(Chartered Accountants)
Lagos, Nigeria

16 March 2022

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AT 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	**2021**	2020
	Notes	**N'000**	N'000	**N'000**	N'000
Assets					
Non current assets					
Property, plant and equipment	7.	**17,791,198**	18,340,772	**7,217,267**	7,604,307
Capital work in progress	9.	**5,163,458**	4,844,322	**66,713**	65,390
Intangible asset	10.	**4,487,149**	4,552,218	**16,938**	12,664
Investment in subsidiaries	11.	**-**	-	**4,444,518**	4,444,518
Investment accounted for using the equity method	12.	**-**	-	**798,722**	798,722
Deferred tax assets	27.	**-**	-	**220,392**	237,841
		27,441,805	27,737,312	**12,764,550**	13,163,442
Current assets					
Inventories	14.	**247,297**	131,303	**191,704**	99,404
Trade receivables	15.	**1,083,143**	631,077	**627,067**	410,265
Other receivables and prepayments	16.	**822,108**	586,475	**501,394**	415,554
Loan to related party	17.	**9,409,927**	8,415,239	**9,409,927**	8,415,239
Amount due from related parties	18.	**-**	-	**734,581**	729,874
Cash and cash equivalents	19.	**4,844,019**	4,051,117	**3,836,334**	2,482,941
		16,406,494	13,815,211	**15,301,007**	12,553,277
Total assets		**43,848,299**	41,552,523	**28,065,557**	25,716,719
Equity and liabilities					
Share capital	20.	**1,039,398**	1,039,398	**1,039,398**	1,039,398
Share premium	21.	**1,381,072**	1,381,072	**1,381,072**	1,381,072
Retained earnings	22.	**6,413,223**	6,268,548	**5,448,269**	5,178,389
Revaluation reserve	23.	**3,121,799**	3,121,799	**-**	-
Equity attributable to equity holders of the Parent		**11,955,492**	11,810,817	**7,868,739**	7,598,859
Non-controlling interest	24.	**8,806,428**	9,004,796	**-**	-
Total equity		**20,761,920**	20,815,613	**7,868,739**	7,598,859
Non-current liabilities					
Amount due to related parties	25.	**8,833,554**	7,887,557	**10,124,918**	9,190,034
Retirement benefit obligations	26.	**454,864**	982,175	**454,864**	684,132
Deferred tax	27.	**758,146**	857,429	**-**	-
		10,046,564	9,727,161	**10,579,782**	9,874,166
Current liabilities					
Trade and other payables	28.	**3,961,289**	3,331,703	**1,420,865**	1,076,894
Deferred income	29.	**8,241,618**	7,221,868	**8,062,665**	7,045,427
Dividend payable	30.	**105,960**	105,960	**16,691**	16,691
Deposit for shares	43.	**93,600**	93,600	**93,600**	93,600
Current tax payables	31.1	**637,348**	256,618	**23,215**	11,082
		13,039,815	11,009,749	**9,617,036**	8,243,694
Total liabilities		**23,086,379**	20,736,910	**20,196,818**	18,117,860
Total equity and liabilities		**43,848,299**	41,552,523	**28,065,557**	25,716,719

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 15 March 2022 and were signed on its behalf:

Chief Anthony Idigbe, *SAN*	**Alh. Abatcha Bulama, FCA**	**Mr. Theophilus E. Netufo, FCA**	**Mr. Zacchaeus O. Adeyemo**
Chairman	**Director**	**Managing Director/CEO**	**Controller of Finance/CFO**
FRC/2014/NBA/00000010414	**FRC/2014/ICAN/00000006535**	**FRC/2013/ICAN/00000004775**	**FRC/2018/ICAN/00000017858**

The accompanying notes on pages 19 to 53 and the other national disclosures on pages 55 to 57 form an integral part of these consolidated financial statements.

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		The Group		The Company	
		2021	2020	**2021**	2020
	Notes	**N'000**	N'000	**N'000**	N'000
Continuing operations					
Revenue from contract with customers	32.	**9,868,545**	5,068,571	**6,169,855**	3,120,988
Cost of sales	33.	**(7,212,209)**	(5,481,220)	**(3,909,399)**	(3,175,700)
Gross profit/(loss)		**2,656,336**	(412,649)	**2,260,456**	(54,712)
Other income	34.	**384,968**	759,150	**84,632**	329,703
Sales and marketing expenses	35.1	**(244,187)**	(132,009)	**(244,187)**	(132,009)
Administrative expenses	35.2	**(1,661,721)**	(6,717,194)	**(939,258)**	(935,450)
Operating profit/(loss)	38.	**1,135,396**	(6,502,702)	**1,161,643**	(792,468)
Finance income	36.	**11,535**	13,490	**11,535**	41,920
Finance costs	37.	**(945,997)**	(846,706)	**(966,528)**	(870,517)
Profit/(loss) before tax		**200,934**	(7,335,918)	**206,650**	(1,621,065)
Income tax expense	31.2	**(381,548)**	614,217	**(63,691)**	389,358
Profit/(loss) for the year from continuing operations		**(180,614)**	(6,721,701)	**142,959**	(1,231,707)
Profit/(loss) attributable to:					
Equity holders of the parent		**17,754**	(6,066,199)	**142,959**	(1,231,707)
Non-controlling interest		**(198,368)**	(655,502)	**-**	-
Profit/(loss) for the year		**(180,614)**	(6,721,701)	**142,959**	(1,231,707)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurement gain on defined benefit plan	26.5	**126,921**	94,560	**126,921**	94,560
Surplus on revaluation of land net of tax	23.	**-**	8,161,567	**-**	-
Other comprehensive income for the year net of tax		**126,921**	8,256,127	**126,921**	94,560
Total comprehensive income for the year		**(53,693)**	1,534,426	**269,880**	(1,137,147)
Total comprehensive income for the year attributable to:					
Equity holders of the parent		**144,675**	(2,849,836)	**269,880**	(1,137,147)
Non-controlling interest		**(198,368)**	4,384,262	**-**	-
		(53,693)	1,534,426	**269,880**	(1,137,147)
Basic earnings per share (Kobo)		**(9)**	(323)	**7**	(59)

The accompanying notes on pages 19 to 53 and the other national disclosures on pages 55 to 57 form an integral part of these consolidated financial statements.

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	The Group							The Company			
	Ordinary shares N'000	Share premium N'000	Retained earnings N'000	Revaluation surplus N'000	Total N'000	Non controlling interest N'000	Total equity N'000	Ordinary shares N'000	Share premium N'000	Retained earnings N'000	Total equity N'000
Attributable to equity holders of the parent											
At 1 January 2020	1,039,398	1,381,072	12,329,582	-	14,750,052	4,620,530	19,370,582	1,039,398	1,381,072	6,357,112	8,777,582
Changes in equity for 2020											
Comprehensive income for the year:											
Profit for the year	-	-	(6,066,199)	-	(6,066,199)	(655,502)	(6,721,701)	-	-	(1,231,707)	(1,231,707)
Total profit for the year	-	-	(6,066,199)		(6,066,199)	(655,502)	(6,721,701)	-	-	(1,231,707)	(1,231,707)
Re-measurement gain on defined benefit plans	-	-	94,560	-	94,560	-	94,560	-	-	94,560	94,560
			(5,971,639)		(5,971,639)	(655,502)	(6,627,141)			(1,137,147)	(1,137,147)
Revaluation surplus	-	-	-	3,121,799	3,121,799	5,039,768	8,161,567	-	-	-	-
Total comprehensive income	-	-	(5,971,639)	3,121,799	(2,849,840)	4,384,266	1,534,426	-	-	(1,137,147)	(1,137,147)
Transactions with owners recorded directly in equity											
Interim Dividend			(89,395)	-	(89,395)	-	(89,395)			(41,576)	(41,576)
	-	-	(6,061,034)	3,121,799	(2,939,235)	4,384,266	1,445,031	-	-	(1,178,723)	(1,178,723)
At 31 December 2020	**1,039,398**	**1,381,072**	**6,268,548**	**3,121,799**	**11,810,817**	**9,004,796**	**20,815,613**	**1,039,398**	**1,381,072**	**5,178,389**	**7,598,859**
Attributable to equity holders of the parent											
At 1 January 2021	1,039,398	1,381,072	6,268,548	3,121,799	11,810,817	9,004,796	20,815,613	1,039,398	1,381,072	5,178,389	7,598,859
Changes in equity for 2021											
Comprehensive income for the year:											
Loss for the year	-	-	17,754	-	17,754	(198,368)	(180,614)	-	-	142,959	142,959
Total loss for the year	-	-	17,754	-	17,754	(198,368)	(180,614)	-	-	142,959	142,959
Re-measurement gain on defined benefit plans	-	-	126,921	-	126,921	-	126,921	-	-	126,921	126,921
Total comprehensive income	-	-	144,675	-	144,675	(198,368)	(53,693)	-	-	269,880	269,880
At 31 December 2021	**1,039,398**	**1,381,072**	**6,413,223**	**3,121,799**	**11,955,492**	**8,806,428**	**20,761,920**	**1,039,398**	**1,381,072**	**5,448,269**	**7,868,739**

The accompanying notes on pages 19 to 53 and the other national disclosures on pages 55 to 57 form an integral part of these consolidated financial statements.

IKEJA HOTEL PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
Profit before tax		**200,934**	(7,335,918)	**206,650**	(1,621,065)
Adjustment for:					
Depreciation of property, plant and equipment	7.	**750,840**	919,554	**468,035**	571,575
Amortisation of intangible asset	10.	**72,452**	87,469	**3,109**	2,473
Dividend income	36.	**-**	-	**-**	(26,658)
Post employment benefit expense	26.5	**145,204**	187,895	**145,204**	187,895
Interest on placements with banks	36.	**(11,535)**	(13,490)	**(11,535)**	(15,262)
Finance cost	37.	**945,997**	846,706	**966,528**	870,517
Profit on disposal of property, plant and equipment	34.	**(42,761)**	(3,870)	**(7,761)**	-
Impairment allowance	15.1/35.2	**30,774**	5,243,658	**-**	16,254
Impairment allowance written back	15.1	**(711)**	(1,772)	**(711)**	-
Net cash from operating activities before changes in working capital		**2,091,194**	(69,768)	**1,769,519**	(14,271)
Changes in:					
(Increase)/decrease in inventories		**(115,993)**	50,243	**(92,299)**	31,312
Increase in trade receivables		**(482,128)**	594,063	**(216,092)**	536,170
Decrease/(increase) in other receivables and prepayments		**(235,634)**	240,831	**(85,840)**	127,643
(Increase)/decrease in due from related party		**-**	-	**(4,707)**	3,673
Decrease/(increase) in trade and other payables		**629,585**	(357,291)	**343,971**	(202,765)
Increase/(decrease) in deferred income		**25,062**	(13,984)	**22,550**	-
Cash generated from operating activities		**1,912,086**	444,094	**1,737,102**	481,762
Income tax paid	24.1	**(100,101)**	(201,992)	**(34,109)**	(100,616)
Post employment benefits paid	26.5	**(545,594)**	(881,734)	**(247,551)**	(866,307)
Net cash provided/used by operating activities		**1,266,391**	(639,632)	**1,455,442**	(485,161)
Cash flows from investing activities					
Purchase of property plant and equipment	7.	**(201,266)**	(241,190)	**(80,996)**	(100,507)
Purchase of intangible assets	10.	**(7,383)**	(20,303)	**(7,383)**	(9,000)
Proceed on disposal of property, plant and equipment		**42,761**	3,870	**7,761**	-
Dividend received		**-**	-	**-**	26,658
Interest on placements with banks	36.	**11,535**	13,490	**11,535**	15,262
Additions to capital work in progress	9.	**(319,136)**	(628,288)	**(1,323)**	(51,944)
Net cash used by investing activities		**(473,489)**	(872,421)	**(70,406)**	(119,531)
Cash flows from financing activities					
Payment to related parties	25.1	**-**	-	**(31,643)**	(95,608)
Dividend paid	30.	**-**	(93,280)	**-**	(41,576)
Net cash used by financing activities		**-**	(93,280)	**(31,643)**	(137,184)
Net increase/(decrease) in cash and cash equivalents		**792,902**	(1,605,333)	**1,353,393**	(741,876)
Cash and cash equivalents at 1 January		**4,051,117**	5,656,450	**2,482,941**	3,224,817
Cash and cash equivalents at 31 December	19.	**4,844,019**	4,051,117	**3,836,334**	2,482,941

The accompanying notes on pages 19 to 53 and the other national disclosures on pages 55 to 57 form an integral part of these consolidated financial statements.

1. The Group

1.1 The reporting entity

1.1.1 The Group

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

1.2 The Company

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

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

1.3 Corporate office

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

1.4 Principal activities

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

2. Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act, 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 2020. 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 tranasctions within the Group are eliminated on consolidation. Unrealised losses resulting from inter-group transactions are eliminated, but only to the extent that there is no evidence of impairment.

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

3. Basis of measurement

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

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

4. Critical accounting estimates and judgement

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

4.1 Asset useful lives and residual values:

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

4.2 Taxes

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

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

4.3 Provisions/contingencies

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

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 judgemet 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 recognsed 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 on or after 1 January 2022

The following standards have been issued or amended by IASB but are yet to become effective.

Standard	**Related amendments**	**Effective date**
IAS 37, Provisions, contingent liabilities & contingent assets	Onerous contracts - cost of fulfilling a contract	1 January 2022
IAS 16, Property, plant and equipment (PPE)	Proceeds before intended use OF PPE	1 January 2022
IAS 1, Presentation of financial statements	Classification of liabilities as current or non current	1 January 2023
IFRS 17, Insurance contracts	Amendments relating to various insurance activities	1 January 2023

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

5.2 IAS 37, Provisions, contingent liabilities & contingent assets

IAS 37 was amended to clarify what should comprise costs to fulfill a contract. The amendments state that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Those costs include both incremental costs and an allocation of other costs so long as they relate directly to fulfilling contracts.

5.3 IAS 16, Property, plant and equipment (PPE)

The standard was amended to clarify the accounting for the net proceeds from selling any items produced while bringing an item of property, plant and equipment (PPE) into use. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss.

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

5.4 IAS 1, Presentation of financial statements

IAS 1 was amended to clarify the basis for classifying a liability as current or non current. A liability should be classified as non-current if an entity expects, and has the discretion, to refinance or roll over an obligation for at least twelve months after the reporting period under an existing loan facility with the same lender, on the same or similar terms.

5.5 IFRS 17 - Insurance Contracts

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. The new IFRS 17 standard establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard does not impact the company/group in anyway as the company/group and its subsidiary companies do not engage in insurance business.

6. Summary of significant accounting policies

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

6.1 Investments in subsidiaries

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

Control is usually present when an entity has:
• power over more than one-half of the voting rights of the other entity;
• power to govern the financial and operating policies of the other entity;
• power to appoint or remove the majority of the members of the board of directors or equivalent governing body; or
• power to cast the majority of votes at meetings of the board of directors or equivalent governing body of the entity.

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

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

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

6.2 Investments in associates

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

6.3 Investments in joint ventures

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

6.4 Investments in special purpose entities (SPEs)

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

6.5 Business combinations

Business combinations are accounted for using the acquisition method. The consideration for acquisition is measured at the fair values of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in order to obtain control of the acquiree (at the date of exchange). Costs incurred in connection with the acquisition are recognised in profit or loss as incurred. Where a business combination is achieved in stages, previously held interests in the acquiree are re-measured to fair value at the acquisition date (date the Group obtains control) and the resulting gain or loss, is recognised in profit or loss. Adjustments are made to fair values to bring the accounting policies of acquired businesses into alignment with those of the Group. The costs of integrating and reorganising acquired businesses are charged to the post acquisition profit or loss. If the initial accounting is incomplete at the reporting date, provisional amounts are recorded. These amounts are subsequently adjusted during the measurement period, or additional assets or liabilities are recognised when new information about its existence is obtained during this period. Non-measurement period adjustments to contingent consideration(s) classified as equity are not remeasured.

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

6. Summary of significant accounting policies (continued)

6.6 Property, plant and equipment

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.

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

6.6.1 Subsequent costs

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

6.6.2 Derecognition of property, plant and equipment

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

6.6.3 Depreciation of property, plant and equipment

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

The estimated useful lives are as follows:

Class of assets	%
Freehold land	NIL
Building	5
Hotel equipment	20
Office equipment, furniture and fittings	10
Computer equipment	$33^1/_3$
Motor vehicles	$33^1/_3$

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

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

6.6.4 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.

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 recgnized 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 buildng 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 avalaible 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 cummulative 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 intsruments 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.

6. Summary of significant accounting policies (continued)

6.11.1 Financial assets (continued)

Fair value through other comprehensive income: financial assets are classified and measured at fair value through other comprehensive income where the Group's business model is both to collect contractual cash flows and selling the financial assets when opportunities arise. The contractual cash flows are represented by principal and interest repayments on the financial assets.
Fair value through profit or loss : any financial assets that are not held in one of the two business models mentioned are measured at fair value through profit or loss.

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

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

6.11.2 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. Simplied 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. Significamt increase in credit risk is measured using the lifetime probability of default.

The simplied 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 whch receivables are past due.

6. Summary of significant accounting policies (continued)

6.11.4 Impairment of financial assets (continued)

- Carry out necessary adjustments on the expected loss rates to reflect the effect of forward looking macro economic conditions expected to exist at the reporting date.

- Determination of the expected credit losses

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

6.11.5 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.
Bank overdrafts are shown within borrowing in current liabilities.

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 it's 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. Summary of significant accounting policies (continued)

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.

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 ocurrence or non ocurrence 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.

6. Summary of significant accounting policies (continued)

6.19 Revenue from contract with customers (continued)

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 sunstantive 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 liablity 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 propety, 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 readility determined, the Group shall apply its incremental borrowing rate.

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

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 of the timing of the reversal of the temporary differences and it is not considered probable that the temporary differences will reverse in the foreseeable future. It is the Group's policy to reinvest undistributed profits arising in group companies. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amount of the deferred tax assets are reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same tax authority. Current tax assets and liabilities are offset where the entity has a legal enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

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.

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 2020	3,440,742	5,750,066	5,264,401	3,841,886	392,179	298,454	18,987,728
Additions in the year	-	15,748	99,444	88,491	34,257	3,250	241,190
Revaluation	9,068,408	-	-	-	-	-	9,068,408
Disposals during the year	-	-	-	(8,958)	-	(6,250)	(15,208)
At 31 December 2020	12,509,150	5,765,814	5,363,845	3,921,419	426,436	295,454	28,282,118
At 1 January 2021	12,509,150	5,765,814	5,363,845	3,921,419	426,436	295,454	28,282,118
Additions in the year	-	62,765	16,766	78,937	42,798	-	201,266
Disposals during the year	-	-	(219,152)	-	-	(27,435)	(246,587)
At 31 December 2021	12,509,150	5,828,579	5,161,459	4,000,356	469,234	268,019	28,236,797
Depreciation							
At 1 January 2020	-	976,889	4,261,033	3,229,909	281,545	287,624	9,037,000
Charge for the year	-	262,509	359,686	220,250	72,707	4,402	919,554
Eliminated on disposal	-	-	-	(8,958)	-	(6,250)	(15,208)
At 31 December 2020	-	1,239,398	4,620,719	3,441,201	354,252	285,776	9,941,346
At 1 January 2021	-	1,239,398	4,620,719	3,441,201	354,252	285,776	9,941,346
Charge for the year	-	262,867	256,410	167,580	58,970	5,013	750,840
Eliminated on disposal	-	-	(219,152)	-	-	(27,435)	(246,587)
At 31 December 2021	-	1,502,265	4,657,977	3,608,781	413,222	263,354	10,445,599
Carrying amount							
At 31 December 2020	**12,509,150**	**4,526,416**	**743,126**	**480,218**	**72,184**	**9,678**	**18,340,772**
At 31 December 2021	**12,509,150**	**4,326,314**	**503,482**	**391,575**	**56,012**	**4,665**	**17,791,198**

Land owned by Capital Hotels Plc was professionally valued by Knight Frank (Estate Surveyors & Valuers) FRC/2013/0000000000584 on 15 October 2020 using the Direct Comparison Approach (Open Market Value basis). The valuation report was certified by Mr. Oyeleke A. Oyeleke, FRCN number: FRC/2013/NIESV/00000001085. The valuation surplus arising therefrom is disclosed in equity through other comprehensive income and allocated to the Parent and Non Controlling Interest in proporting of their interest in the sub-subsidiary.

	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 2020	3,084,350	4,785,300	2,953,218	96,263	390,527	62,035	11,371,693
Additions in the year	-	-	64,168	2,082	34,257	-	100,507
At 31 December 2020	3,084,350	4,785,300	3,017,386	98,345	424,784	62,035	11,472,200
At 1 January 2021	3,084,350	4,785,300	3,017,386	98,345	424,784	62,035	11,472,200
Additions in the year	-	21,432	16,766	-	42,798	-	80,996
Disposals during the year	-	-	-	-	-	(27,435)	(27,435)
At 31 December 2021	3,084,350	4,806,732	3,034,152	98,345	467,582	34,600	11,525,761
Depreciation							
At 1 January 2020	-	649,197	2,245,314	70,710	279,893	51,204	3,296,318
Charge for the year	-	230,310	258,995	5,363	72,707	4,200	571,575
At 31 December 2020	-	879,507	2,504,309	76,073	352,600	55,404	3,867,893
At 1 January 2021	-	879,507	2,504,309	76,073	352,600	55,404	3,867,893
Charge for the year	-	230,322	171,230	3,313	58,970	4,200	468,035
Eliminated on disposal	-	-	-	-	-	(27,435)	(27,435)
At 31 December 2021	-	1,109,829	2,675,539	79,386	411,570	32,169	4,308,493
Carrying amount							
At 31 December 2020	**3,084,350**	**3,905,793**	**513,077**	**22,272**	**72,184**	**6,631**	**7,604,307**
At 31 December 2021	**3,084,350**	**3,696,903**	**358,613**	**18,959**	**56,012**	**2,431**	**7,217,268**

		The Group		The Company	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
8.	**Investment Property**				
	Valuation				
	At 1 January	**4,630,087**	4,630,087	**-**	-
	Additions	**-**	-	**-**	-
	At 31 December	**4,630,087**	4,630,087	**-**	**-**
	Impairment				
	At 1 January	**4,630,087**	-	**-**	-
	Charge	**-**	4,630,087	**-**	-
	At 31 December	**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 44.2

		The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
9.	**Capital work in progress**				
	At 1 January	**4,844,322**	4,216,034	**65,390**	13,446
	Additions in the year	**319,136**	628,288	**1,323**	51,944
	At 31 December	**5,163,458**	4,844,322	**66,713**	65,390

This represents on going renovation work on the Group's property.

		The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
10.	**Intangible asset**				
10.1	**Computer software**				
	Cost				
	At 1 January	**292,265**	271,962	**30,070**	21,070
	Additions in the year	**7,383**	20,303	**7,383**	9,000
	At 31 December	**299,648**	292,265	**37,453**	30,070
	Amortization				
	At 1 January	**192,715**	105,247	**17,406**	14,933
	Charge for the year	**72,452**	87,468	**3,109**	2,473
	At 31 December	**265,167**	192,715	**20,515**	17,406
	Carrying amount	**34,481**	99,550	**16,938**	12,664
10.2	**Goodwill**	**4,452,668**	4,452,668	**-**	-
		4,487,149	4,552,218	**16,938**	12,664

10.3 Goodwill impairment testing

Reported goodwill in the books of the Company arose from Capital Hotel Plc after consolidating the financial statements of the subsidiaries with the financial statements of Ikeja Hotel Plc. The Company tested goodwill for impairment as at 31 December 2021 by comparing the fare value of the aggregate of Land and buildings in Capital Hotel Plc with the net assets in the subsidiary. The land was valued at N9,424,800,000 (Nine Billion, Four Hundred and Twenty Four Million, Eight Hundred Thousand Naira). The comparison shows that the fair value of the subsidiary (cash generating unit) exceeds its carrying amount (net assets). The basis of valuation is the market value using the Direct Market Comparison Method of valuation. The valuation was performed with the following considerations and assumptions:

Considerations

- The property is a developed parcel of land.
- Location of the property in a prime residential area.
- Road network access to and from the propety.
- The tone of development in the immediate neighbourhood.

10.3 Goodwill impairment testing (continued)

Assumptions
- The property is free from onerous restrictions or charges.
- The title to the property is good and marketable.
- The property is not adversely affected by compulsory acquisition or developmental schemes of the government.

The valuation was certified by Mr. Oyeleke A. Oyeleke (FRC/2013/NIESV/00000001085) of Knight Frank, FRC/2013/0000000000584 on 15 October 2020.

The Directors assume that there are no significant changes in the variables forming the basis of the property valuation as at 31 December 2020 and have adopted this valuation in testing imparment of goodwill as at 31 December 2021. The cost to sell is based on the average commision payable on property sales in Nigeria, which is 10% of the estimated sales price.

	Group	
	N'000	**N'000**
	31 Dec 21	**31 Dec 20**
Fair value of assets		
Land	9,424,800	9,424,800
Building	4,326,314	4,326,314
	13,751,114	13,751,114
Less cost to sell	(1,375,111)	(1,375,111)
Fair value of property, plant & equipment	12,376,003	12,376,003
Carrying value of CGU		
Net assets excluding revaluation surplus	5,124,675	6,479,452
Goodwill	4,452,668	4,452,668
	9,577,343	10,932,120
Excess of fair value of the carrying value	2,798,661	1,443,884

		The Group	
		2021	2020
		N'000	N'000
11.	**Investment in subsidiaries**	**4,440,919**	4,440,919
	Hans Gremlin Nigeria Limited	**100**	100
	IHL Services Limited	**3,499**	3,499
	Charles Hampton and Company Limited	**4,444,518**	4,444,518

The Company holds 75% of the issued share capital of Hans Gremlin Nigeria Limited, a special purpose vehicle used in acquring 51% of the issued share capital of Capital Hotels Plc. Therefore, Ikeja Hotel Plc's indirect interest in the net assets of Capital Hotels Plc is 38.25% while the remaining 61.75% is attributable to non controlling interest (NCI).

11.1 Subsidiaries undertakings

All shares in subsidiaries undertakings are ordinary shares

	Subsidiaries	**Country of incorporation**	**Proportion of ownership**
**	Hans Gremlin Nigeria Limited	Nigeria	75%
***	Capital Hotels Plc	Nigeria	38.25%
***	IHL Services Limited	Nigeria	100%
****	Charles Hampton	Nigeria	89.9%

Nature of subsidiaries' business

** Special purpose vehicle.
*** Operation of hotels and restaurants, apartment letting, recreational facilities, night clubs and a business center.
*** 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:

31 December 2021	**Hans-Gremlin Nigeria Limited N'000**	**Capital Hotel Plc N'000**	**IHL Services Limited N'000**	**Charles Hampton and Company Limited N'000**
Revenue from contract with customers	-	3,698,690	-	-
(Loss)/profit after tax	(788)	(320,459)	567	(2,908)
Total assets	6,334,277	18,028,731	1,014,654	2,728
Total liabilities	478,438	3,765,597	45,073	723,292
Equity	5,855,839	14,263,132	969,581	(720,564)
31 December 2020				
Revenue	-	1,947,583	-	-
Profit /(Loss)after tax	(753)	(241,855)	(163)	(4,312)
Other comprehensive income net of tax	-	8,161,567		
Total assets	6,334,277	18,107,405	1,013,937	1,648
Total liabilities	477,682	3,523,812	44,923	719,287
Equity	5,856,595	14,583,593	969,014	(717,639)

12. Investment accounted for using the equity method

The Company holds 12.18% interest in 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.

Aggregate amounts relating to investment in joint associate company include:	**The Group**		**The Company**	
	2021 N'000	2020 N'000	**2021 N'000**	2020 N'000
At 1 January	-	-	**798,722**	798,722
Group's share of loss of the associate company	-	-	**-**	-
At 31 December	-	-	**798,722**	798,722

13. Investment in unquoted entities

ICON Stockbroker	**7,421**	7,421	**-**	-
A. Savoia Ltd	**2,571**	2,571	**-**	-
Felfan	**13,005**	13,005	**-**	-
	22,997	22,997	**-**	**-**
Impairment allowance	**(22,997)**	(22,997)	**-**	**-**
	-	-	**-**	**-**

14. Inventory

Food and Beverage	**112,358**	53,745	**56,765**	21,846
Operating supplies	**134,939**	77,558	**134,939**	77,558
Work in progress	**472,979**	472,979	**-**	-
	720,276	604,282	**191,704**	99,404
Less: allowance for impairment (Note 35.2)	**(472,979)**	(472,979)	**-**	-
	247,297	131,303	**191,704**	99,404

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.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
15. Trade receivables				
Gross carrying amount	**1,229,082**	746,953	**650,559**	434,467
Allowances expected credit losses	**(145,939)**	(115,876)	**(23,491)**	(24,202)
Carrying amount	**1,083,143**	631,077	**627,068**	410,265
15.1 Movement in impairment allowance for trade receivables:				
At 1 January	**115,876**	90,244	**24,202**	7,948
Charge for the year	**30,774**	27,404	**-**	16,254
Write back of impairment allowance (Note 34)	**(711)**	(1,772)	**(711)**	-
	145,939	115,876	**23,491**	24,202

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 47.6.

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	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
16. Other receivables and prepayments				
Withholding tax receivable	**508,966**	360,262	**451,752**	348,829
Advances to suppliers	**86,973**	120,587	**-**	15,590
Advances to employees	**14,947**	27,058	**-**	278
	610,886	507,907	**451,752**	364,697
Prepayments (Note 16.1)	**211,222**	78,568	**49,642**	50,857
	822,108	586,475	**501,394**	415,554
16.1 Prepayments				
P/PM PC's Software	**-**	9,099	**-**	9,099
Rent	**2,569**	2,569	**2,569**	2,569
Maintenance	**6,234**	15,541	**-**	-
Dues and subscription	**601**	-	**601**	-
Insurance	**15,190**	7,088	**15,190**	7,088
Supplies	**154,746**	5,541	**-**	-
Staff benefits	**-**	34,323	**-**	30,434
Intranet resources	**31,882**	4,407	**31,282**	1,667
	211,222	78,568	**49,642**	50,857

17. Loan to related party

	The Group			The Company		
	2021	**2021**	2020	**2021**	**2021**	2020
	$'000	**N'000**	N'000	**$'000**	**N'000**	N'000
At 1 January	**22,188**	**8,415,239**	6,752,300	22,188	**8,415,239**	6,752,300
Interest capitalised	**-**	**-**	1,662,939	-	**-**	1,662,939
Exchange difference		**994,688**			**994,688**	
At 31 December	**22,188**	**9,409,927**	8,415,239	22,188	**9,409,927**	8,415,239

Loan to related party relates to receivable from The Tourist Company of Nigeria Plc. The interest rate of 5% (2020 : 5%) has been set on the Company's fixed borrowing. Of these fixed borrowings 100% (2020 : 100%) is for periods longer than 12 months. The Company had no unutilised borrowing facilities at 31 December 2021 (2020 : Nil).

17. Loan to related party (continued)

Terms of the above loan:

a) They are unsecured.
b) Repayment is subject to the board of director's discretion, taking into account the availability of funds and the company's working capital requirements.
c) The loan is denonminated in US Dollar.
d) Interest is capitalised at 5% per annum.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
18. Amount due from related parties				
Hans Gremlin Nigeria Limited	**-**	-	**477,702**	476,932
Charles Hampton Limited	**-**	-	**256,879**	252,942
AVIS - Current Account	**31,122**	31,122	**-**	-
GMI & Co	**113,188**	113,188	**-**	-
Felfan Limited	**59,074**	59,074	**-**	-
	203,384	203,384	**734,581**	729,874
Impairment allowance (Note 18.1)	**(203,384)**	(203,384)	**-**	-
	-	-	**734,581**	729,874
18.1 Movement in impairment Allowance				
At 1 January	**203,384**	90,196	-	-
Additional impairment allowance in the year (Note 35.2)	**-**	113,188	-	-
At 31 December	**203,384**	203,384	**-**	-

The additional impairment allowance relates to outstanding balance due from GMI & Co. to IHL Services Limited, a subsidiary of the Company.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
19. Cash and cash equivalents				
19.1 Cash and cash equivalents comprise:				
Cash in hand	**1,466**	1,233	**848**	613
Cash at bank	**4,572,508**	3,686,982	**3,769,112**	2,419,428
	4,573,974	3,688,215	**3,769,960**	2,420,041
Fixed deposits (Note 19.2)	**270,045**	362,902	**66,374**	62,900
	4,844,019	4,051,117	**3,836,334**	2,482,941
19.2 Fixed deposits				
These are short term placements with banks in Nigeria	**270,045**	362,902	**66,374**	62,900

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
20. Share capital				
20.1 Authorised				
4,000,000,000 Ordinary shares of 50 kobo each	**2,000,000**	2,000,000	**2,000,000**	2,000,000
20.2 Issued and fully paid				
2,078,796,399 ordinary shares of 50 kobo each	**1,039,398**	1,039,398	**1,039,398**	1,039,398

20.3 Free float status

Ikeja Hotel Plc with free float shareholdings valued at N1,007,516,609 as at 31 December 2021, comprising 39.7% of the total shareholding structure is in compliant with Nigerian Stock Exchange requirements (31 December 2020: N990,999,943, 39.7%).

	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
21. Share premium				
At 31 December	**1,381,072**	1,381,072	**1,381,072**	1,381,072
22. Retained earnings				
At 1 January	**6,268,548**	12,329,582	**5,178,389**	6,357,112
Profit attributable to the owners of the company	**17,754**	(6,066,199)	**142,959**	(1,231,707)
Re-measurement gain/(loss) on defined benefit plan	**126,921**	94,560	**126,921**	94,560
Dividend declared	**-**	(89,395)	**-**	(41,576)
At 31 December	**6,413,223**	6,268,548	**5,448,269**	5,178,389

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
23. Revaluation reserve				
At 1 January	**8,161,567**	-	**-**	-
Revaluation surplus during the year	**-**	9,068,408	**-**	-
Deferred tax (temporal difference on revaluation of land)	**-**	(906,841)		
	8,161,567	**8,161,567**	**-**	**-**
Attributable to the parent	**3,121,799**	3,121,799	-	-
Attibutable to non controlling interest (NCI)	**5,039,768**	5,039,768	-	-
	8,161,567	**8,161,567**	**-**	**-**

The revaluation surplus arose from the valuation of land in Capital Hotels Plc (Note 7.1)

The higher amount attributable to NCI reflects their higher interest in the net assets of Capital Hotels Plc (Note 11).

	The Group 2021 N'000	The Group 2020 N'000	The Company 2021 N'000	The Company 2020 N'000
24. Non controlling interest				
At 1 January	**9,004,796**	4,620,530	**-**	**-**
Share of comprehensive income for the year	**(198,368)**	(655,502)	**-**	**-**
NCI's share of revaluation surplus on land (Note 23)	**-**	5,039,768	**-**	**-**
At 31 December	**8,806,428**	9,004,796	**-**	**-**

		The Group		The Company	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
25.	**Amount due to related parties**				
	Capital Hotels Plc	**-**	-	**506,647**	517,717
	IHL Services Limited	**-**	-	**784,717**	784,760
	Federal Palace/Sun International	**4,247**	4,247	**4,247**	4,247
	Alurum Investment Ltd/Omamo Trust Limited (Note 25.2)	**4,352,640**	3,886,285	**4,352,640**	3,886,285
	Minabo Limited (Note 25.2)	**2,545,775**	2,273,014	**2,545,775**	2,273,014
	Associated Ventures International Limited (Note 25.2)	**1,930,892**	1,724,011	**1,930,892**	1,724,011
		8,833,554	7,887,557	**10,124,918**	9,190,034
25.1	Movement in amount due to related parties is as follows:				
	At 1 January	**7,887,557**	7,040,852	**9,190,034**	8,415,126
	Interest accrued during the year	**945,997**	846,705	**966,527**	870,516
	Repayments during the year	**-**	-	**(31,643)**	(95,608)
		8,833,554	7,887,557	**10,124,918**	9,190,034

25.2 The balances comprise outstandIng loans to related parties. The terms of these balances were mutually agreed but not formally documented and executed. Interest at 12% per annum are compounded annually on the outstanding loan balances. Repayment of both interest and principal is based on the liquidity position of the Company. No payment of either principal or interest has been made. With the conclusion of the Securities & Exchange Commission (SEC) instituted forensic audit, the Board expects a resolution to all legacy issues around these balances.

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	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
26.2	**Composition of retirement benefit**				
	Defined contribution plan (Note 26.3)	**-**	-	**-**	-
	Defined benefit plan (Note 26.4)	**454,864**	982,175	**454,864**	684,132
		454,864	982,175	**454,864**	684,132
26.3	**Defined contribution plan**				
	At 1 January	**-**	-	**-**	-
	Contribution in the year	**69,897**	76,913	**43,709**	43,709
	Remittance during the year	**(69,897)**	(76,913)	**(43,709)**	(43,709)
	At 31 December	**-**	-	**-**	-

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
26. Retirement benefit obligation (continued)				
26.4 The defined benefit plan is analysed into:				
Active plan	**387,976**	614,244	**387,976**	614,244
Terminated plan	**66,888**	367,931	**66,888**	69,888
	454,864	982,175	**454,864**	684,132
26.5 Movement in defined benefit plan				
Active defined benefit obligations				
At 1 January	**614,244**	1,386,217	**614,244**	1,386,217
Current service cost	**76,376**	68,030	**76,376**	68,030
Interest cost	**68,828**	119,864	**68,828**	119,864
Payments in the year	**(244,551)**	(865,307)	**(244,551)**	(865,307)
Re-measurement gain on defined benefit plan	**(126,921)**	(94,560)	**(126,921)**	(94,560)
At 31 December	**387,976**	614,244	**387,976**	614,244
Present value of defined benefit obligation	**387,976**	614,244	**387,976**	614,244
Terminated obligations				
At 1 January	**367,931**	384,358	**69,888**	70,888
Payments in the year	**(301,043)**	(16,427)	**(3,000)**	(1,000)
At 31 December	**66,888**	367,931	**66,888**	69,888

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	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	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 2021:				
Discount rate	**12.92%**	12.46%	**12.92%**	12.46%
Inflation rate	**12.47%**	12.42%	**12.47%**	12.42%
Future rate of salary increases	**13.42%**	12.42%	**13.42%**	12.42%

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 2021 (31 December 2020: 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 and other comprehensive income.

The actuarial valuation report was signed on 1 March 2022 by L. B. Abraham (FRC/2016/NAS/00000015764) for O & A Hedge Actuarial Consulting (FRC/2019/00000012909).

		The Group		The Company	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
27.	**Deferred taxation**				
27.1	At 1 January	**857,429**	553,841	**(237,841)**	134,615
	Deferred tax credit recognised in profit or loss (Note 31.2)	**(99,283)**	(603,253)	**17,449**	(372,456)
	Deferred tax charge recognised in other comprehensive income (Note 23)	**-**	906,841	**-**	-
	Reversal of temporal difference on revaluation of land	**-**			
	At 31 December	**758,146**	857,429	**(220,392)**	(237,841)
27.2	**Analysis of deferred tax is as follows**				
	Property, plant and equipment	**(171,474)**	276,556	**(244,613)**	78,239
	Tax losses	**-**	(557,895)	**-**	(423,002)
	Revaluation of land	**906,841**	906,841	**-**	-
	Others	**22,779**	231,927	**24,221**	106,922
		758,146	857,429	**(220,392)**	(237,841)

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	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
28.	**Trade and other payables**				
	Trade payables	**785,205**	731,634	**267,705**	220,876
	Accrued expenses	**1,559,012**	1,259,462	**880,490**	615,513
	CHP Hospitality and Tourism Limited	**367,305**	423,407	**-**	-
	Advance deposits	**294,756**	301,151	**106,460**	111,332
	Service charge distribution	**86,792**	47,619	**56,549**	34,347
	VAT Payable	**586,753**	352,584	**39,275**	23,469
	Unclaimed dividend (Note 28.1)	**70,386**	71,357	**70,386**	71,357
	Sundry creditors (Note 28.2)	**211,080**	144,489	**-**	-
		3,961,289	3,331,703	**1,420,865**	1,076,894

28.1 This amount represents total unclaimed dividend returned by registrar.

28.2 This amount represent contract liabilities, outstanding consumption tax and other account payables.

The carrying value of accounts payable and accruals approximate their fair value.

29.	**Deferred income**				
	Unrealised interests and exchange gain on TCN Loan				
	At 1 January	**7,221,868**	5,572,913	**7,045,427**	5,382,488
	Interest and exchange difference capitalised	**994,688**	1,662,939	**994,688**	1,662,939
	Advance receipt of rental income	**154,336**	14,278	**22,550**	-
	Recognized in profit or loss account	**(129,274)**	(28,262)	**-**	-
	At 31 December	**8,241,618**	7,221,868	**8,062,665**	7,045,427
29.1	**Deferred income comprise**				
	Ikeja Hotel Plc (Note 29.2)	**8,062,665**	7,045,427	**8,062,665**	7,045,427
	Capital Hotels Plc	**36,698**	34,186	**-**	-
	Charles Hampton & Company Limited	**142,255**	142,255	**-**	-
		8,241,618	7,221,868	**8,062,665**	7,045,427

29.2 This interest and exchange difference relate to interest receivable from the loan granted to Tourist Company of Nigeria Plc, which are payable based on the Company's liquidity.

-

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
30. Dividend payable				
At 1 January	**105,960**	109,845	**16,691**	16,691
Declared during the year	**-**	89,395	**-**	41,576
Payment during the year	**-**	(93,280)	**-**	(41,576)
At 31 December	**105,960**	105,960	**16,691**	16,691

.1 Divided paid during the prior year comprise final dividend of N41.576 million paid by Ikeja Hotel Plc and N24.958 million paid by Capital Hotels Plc to non controlling interests and part outstanding dividend from prior years.

31. Taxation

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
31.1 Current tax payables				
At 1 January	**256,618**	469,574	**11,082**	128,600
Payment in the year	**(100,101)**	(201,992)	**(34,109)**	(100,616)
Minimum tax	**107,870**	13,703	**15,451**	7,765
(Over)/under provision	**372,961**	(24,667)	**30,791**	(24,667)
At 31 December	**637,348**	256,618	**23,215**	11,082
31.2 Income tax expense				
Company income tax	**95,816**	-	-	-
Minimum tax	**-**	13,703	**15,451**	7,765
Education tax	**12,054**	-	**-**	-
	107,870	13,703	**15,451**	7,765
Prior years (over)/underprovision	**372,961**	(24,667)	**30,791**	(24,667)
	480,831	(10,964)	**46,242**	(16,902)
Deferred taxation	**(99,283)**	(603,253)	**17,449**	(372,456)
	381,548	(614,217)	**63,691**	(389,358)
31.3 The tax expense for the year is reconciled to the profit/(loss) for the year as follows:				
Profit/(loss) before tax	**200,934**	(7,335,918)	**206,650**	(1,621,065)
Tax @ 30%	**60,280**	(2,168,156)	**61,995**	(486,320)
Net deductible items	**720,789**	637,378	**551,712**	486,320
Capital allowance utilised	**(701,633)**	(1,710)	**(613,707)**	-
Education tax	**12,054**	-	**-**	-
Prior years (over)/underprovision	**372,961**	(24,667)	**30,791**	(24,667)
Mimimum tax	**15,451**	13,703	**15,451**	7,765
Effect of non taxable income of subsidiaries	**929**	1,532,489	**-**	-
Deferred tax effect	**(99,283)**	(603,253)	**17,449**	(372,456)
Income tax recognised in the profit or loss account	**381,548**	(614,217)	**63,691**	(389,358)

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, and the Education Tax Act as amended. Minimum tax was computed in accordance with the provisions of the Finance Act, 2020.

		The Group		The Company	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
32.	**Revenue from contracts with customers**				
	Revenue comprise				
	Room sales	**5,746,390**	2,928,597	**3,889,940**	1,997,707
	Food and beverage	**3,441,218**	1,577,868	**1,876,897**	899,590
	Other minor operating departments	**680,937**	562,106	**403,018**	223,691
		9,868,545	5,068,571	**6,169,855**	3,120,988
32.1	**Timing of revenue recognition**				
	Goods transferred at a point in time	**3,441,218**	1,577,868	**1,876,897**	899,590
	Services transferred over time	**6,427,327**	3,490,703	**4,292,958**	2,221,398
	Total revenue from contracts with customers	**9,868,545**	5,068,571	**6,169,855**	3,120,988

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 32.3).

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Revenue				
External customer	**9,868,545**	5,068,571	**6,169,855**	3,120,988
Total Revenue from contracts with customers	**9,868,545**	5,068,571	**6,169,855**	3,120,988

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 2021 were N145.097 and N23.491 for the Group and Company respectively. (31 December 2020: N115.876 and N24.202 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 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.

The two reportable segments are:
Lagos and;
Abuja

32.3.2 Segmented financial information

Below are financial information relating to the performance, assets and liabilities of the reportable segments. Performance of each segment is measured based on the sales revenue, operating profit before finance cost and tax and profit after tax.

31 December 2021	**Lagos**	**Abuja**	**Eliminations**	**Total**
	N'000	**N'000**	**N'000**	**N'000**
Segmented results				
Revenue	6,169,855	3,698,690	-	9,868,545
Profit/(Loss) before tax	203,554	(2,620)	-	200,934
Income tax	(63,709)	(317,839)	-	(381,548)
Loss for the year	**139,845**	**(320,459)**	**-**	**(180,614)**

32. Segment information (continued)

32.3.2 Segmented financial information (continued)

31 December 2021	**Lagos N'000**	**Abuja N'000**	**Eliminations N'000**	**Total N'000**
Segmented assets and liabilities				
Non current assets				
Investment in subsidiaries	10,778,790	-	(10,778,790)	-
Investment in associate	798,722	-	(798,722)	-
Other non current assets	7,327,414	15,688,219	4,426,172	27,441,805
	18,904,926	15,688,219	(7,151,340)	27,441,805
Current assets	16,291,898	2,340,512	(2,225,916)	16,406,494
	35,196,824	**18,028,731**	**(9,377,256)**	**43,848,299**
Liabilities	21,340,472	3,765,595	(2,019,688)	23,086,379
	21,340,472	**3,765,595**	**(2,019,688)**	**23,086,379**
31 December 2020				
Segmented results				
Revenue	3,120,988	1,947,583	-	5,068,571
Profit before tax	(6,689,863)	(466,714)	(179,341)	(7,335,918)
Income tax	389,358	224,859	-	614,217
Profit for the year	**(6,300,506)**	**(241,855)**	**(179,341)**	**(6,721,701)**
Segmented assets and liabilities				
Non current assets				
Investment in subsidiaries	10,778,790	-	(10,778,790)	-
Investment in associate	798,722	-	(798,722)	-
Other non current assets	7,708,856	15,602,284	4,426,172	27,737,312
	19,286,368	15,602,284	(7,151,340)	27,737,312
Current assets	13,542,370	2,505,121	(2,232,280)	13,815,211
	32,828,738	**18,107,405**	**(9,383,620)**	**41,552,523**
Liabilities	19,239,147	3,523,813	(2,026,050)	20,736,910
	19,239,147	**3,523,813**	**(2,026,050)**	**20,736,910**

Notes

With regards the year ended 31 December 2021 the adjustments consist of:

(ii) Investment in subsidiaries - N10.779 billion: elimination of the company's investments in subsidiary companies against the proportion of its interests in the net assets of the subsidiaries.

(iii) Investment in associates - N799 million: adjustment for cummulative share of loss of the company in the net losses of its associate company.

(iv) Other non current assets - N4.426 billion: being the net of the goodwill amount of N4.453 billion created from the elimination of the Company's investments in subsidiaries and elimination of impaired long term investments.

(v) Current assets - N2.226 billion: elimination of intragroup balances balances of N2.026 and other adjustments.
(vi) Liabilities - N2.020 billion: elimination of intragroup balances and other adjustments.

32. Segment information (continued)

32.3.2 Segmented financial information

With regards the year ended 31 December 2020 the eliminations consist of:

(i) Statement profit or loss - N179.341 million: elimination of intragroup interest and dividend and adjustment for impairment on related party receivables.

(ii) Investment in subsidiaries - N10.779 billion: elimination of the company's investments in subsidiary companies against the proportion of its interests in the net assets of the subsidiaries.

(iii) Investment in associates - N799 million: adjustment for cummulative share of loss of the company in the net losses of its associate company.

(iv) Other non current assets - N4.426 billion: being the net of the goodwill amount of N4.453 billion created from the elimination of the Company's investments in subsidiaries and elimination of impaired long term

(v) Current assets - N2.232 billion: elimination of intragroup balances balances of N2.344 and other adjustments.

(vi) Liabilities - N2.026 billion: elimination of intragroup balances and other adjustments.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
33. Cost of sales				
Rooms	**783,468**	705,332	**536,126**	593,386
Food and beverage	**1,676,450**	1,063,840	**1,187,901**	843,730
Operating overheads	**4,752,291**	3,712,048	**2,185,372**	1,738,584
	7,212,209	5,481,220	**3,909,399**	3,175,700
Gross profit	**2,656,336**	(412,649)	2,260,456	**(54,712)**
Gross profit margin (%)	**26.92**	**(8.14)**	**36.64**	**(1.75)**
Included in cost of sales are the following:				
Salaries and wages	**1,828,385**	1,337,962	**883,863**	905,139
Pension cost	**61,715**	65,903	**33,838**	33,838
Trade receivables impairment allowance	**30,774**	27,404	**-**	16,254
	1,920,874	1,431,269	**917,701**	955,231
34. Other income				
Exchange gain	**142,620**	747,509	**73,187**	329,002
Rental income	**129,274**	-	**-**	-
Sundry receipt	**-**	2,093	**-**	-
Sales of scrap	**68,861**	-	**2,232**	367
Insurance claim	**741**	334	**741**	334
Unclaimed dividend	**-**	3,572	**-**	-
Profit on disposal of property, plant and equipment	**42,761**	3,870	**7,761**	-
Write back of impairment allowance	**711**	1,772	**711**	-
	384,968	759,150	**84,632**	329,703

		The Group		The Company	
		2021	2020	**2021**	2020
		N'000	N'000	**N'000**	N'000
35.	**Expenses by nature**				
35.1	**Sales and marketing expenses**				
	Salaries	**53,390**	32,114	**53,390**	32,114
	Staff welfare	**39,299**	5,965	**39,299**	5,965
	Loyalty programs	**51,163**	30,747	**51,163**	30,747
	Dues and Subscription	**623**	4,003	**623**	4,003
	Travel - others	**3,274**	9,505	**3,274**	9,505
	Entertainment	**4,558**	1,905	**4,558**	1,905
	Advertisement and publicity	**91,880**	47,770	**91,880**	47,770
		244,187	132,009	**244,187**	132,009
35.2	**Administrative expenses**				
	Directors' remuneration	**10,370**	10,570	**8,700**	8,700
	Directors' expenses	**88,841**	89,361	**64,704**	66,727
	Employee costs	**124,869**	122,462	**91,886**	90,093
	Depreciation of property, plant and equipment	**750,840**	919,554	**468,035**	571,575
	Amortisation of intangible assets	**72,452**	87,469	**3,109**	2,473
	Management fees	**59,691**	42,481	**59,691**	42,481
	Operators incentive fee	**116,404**	4,607	**116,404**	4,607
	Legal	**9,100**	9,486	**6,150**	8,650
	Professional fees	**52,488**	54,140	**47,966**	47,010
	Insurance	**16,819**	33,858	**3,595**	4,438
	Medical expenses	**5,186**	4,175	**5,186**	4,175
	Transport and travelling	**5,086**	5,876	**3,784**	5,104
	Repairs and maintenance	**5,815**	27,656	**5,282**	27,583
	Bank charges and commission	**661**	2,397	**458**	524
	Audit fee	**21,599**	19,043	**9,890**	9,890
	Rent and rate	**11,270**	6,808	**11,270**	6,808
	Advertising and publicity	**2,484**	3,619	**2,484**	3,619
	Printing and stationery	**1,860**	2,386	**1,860**	2,386
	Communication expenses	**2,207**	2,151	**2,205**	2,151
	Subscription	**4,854**	3,570	**4,854**	3,570
	Donations	**1,000**	530	**1,000**	530
	Annual General Meeting expenses	**5,913**	5,381	**5,913**	5,381
	Other administrative expenses**	**48,799**	43,360	**14,832**	16,975
	Impairment of assets***	**-**	5,216,254	**-**	-
	Taxes****	**239,243**	-	**-**	-
	Penalties*****	**3,870**	-	**-**	-
		1,661,721	**6,717,194**	**939,258**	**935,450**
**	**Other administrative expenses**				
	Staff pension	**6,868**	7,044	**6,868**	7,044
	Training	**1,442**	2,472	**1,442**	2,472
	Staff welfare	**2,553**	3,731	**2,553**	3,731
	Electricity	**4,248**	3,965	**3,969**	3,728
	Secretarial and meetings	**13,435**	7,947	**-**	-
	Office expenses	**20,253**	18,201	**-**	-
		48,799	43,360	**14,832**	16,975
***	**Impairment of assets comprise:**				
	Investment property in Charles Hampton & Company Ltd	**-**	4,630,087	**-**	-
	Work in prgress in Charles Hampton & Company Ltd	**-**	472,979	**-**	-
	Related party balance in IHL Services Ltd	**-**	113,188	**-**	-
		-	5,216,254	**-**	-

**** Taxes relate to additional VAT and withholding tax assessments by the Federal Inland Revenue Service.

***** Penalties are in respected of Financal Reporting Council of Nigeria regulatory matters relating to late filing by a subsidiary.

		The Group		The Company	
		2021	2020	**2021**	2020
36.	**Finance income**				
	Interest earned on placement with banks	**11,535**	13,490	**11,535**	15,262
	Dividend income	**-**	-	**-**	26,658
		11,535	13,490	**11,535**	41,920

Dividend income relates to intragoup dividend and is eliminated on consolidation of the financial statements of the parent and its subsidiaries.

	The Group		The Company	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
37. Finance costs				
Interest expense	**945,997**	846,706	**966,528**	870,517

Intragroup interests amounting to N20.531 million (31 December 2020: N23.811 million) was eliminated from group interest expense for the year ended 31 December 2021.

	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
38. Operating profit before tax is stated after charging/(crediting)				
Directors' remuneration	**34,066**	34,400	**8,700**	8,700
Depreciation of property,plant and equipment	**750,840**	919,556	**468,035**	571,575
Amortisation of intangible assets	**72,452**	87,469	**3,109**	2,474
Auditor's remuneration***	**21,599**	19,043	**9,890**	9,890
Exchange gain	**142,620**	747,509	**73,187**	329,002
Personnel compensation	**2,075,402**	1,591,061	**1,072,848**	1,097,849

***Amounts comprise remuneration for audit service only. No auditor engaged by the Group provided non audit services to the Group during the year ended 31 December 2021 (31 December 2020: Nil).

39. 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	**(180,614)**	(6,721,701)	**142,959**	(1,231,707)
Number of shares	**2,078,796**	2,078,796	**2,078,796**	**2,078,796**
Earnings per share (Kobo)	**(9)**	(323)	**7**	(59)

40. Information regarding directors and employees

	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
40.1 Emolument of the Directors				
Chairman's fee	**1,500**	1,700	**1,500**	1,500
Other Directors fee	**7,200**	8,870	**7,200**	7,200
Excutive Directors	**25,366**	23,830	**15,366**	13,830
	34,066	34,400	**24,066**	22,530

40.2 Scale of directors' remuneration	Number	Number	Number	Number
The number of directors excluding the Chairman whose emoluments fell within the following ranges are:				
N10,000,000 and above	**2**	2	**1**	1

40.3 Staff costs	**N'000**	N'000	**N'000**	N'000
Personnel compensation comprised:				
Salaries and wages	**2,005,505**	1,484,355	**1,029,139**	1,020,302
Pension cost	**69,897**	76,913	**43,709**	43,709
	2,075,402	1,561,268	**1,072,848**	1,064,011

	The Group		The Company	
	2021 Number	2020 Number	**2021 Number**	2020 Number
40. Information regarding directors and employees (continued)				
40.4 The average number of persons employed during the year by category:				
Management staff	**44**	46	36	37
Non-management staff	**368**	369	150	153
	412	415	**186**	190

40.5 Scale of employees' remuneration

N		N				
250,001	-	500,000	**106**	114	**-**	-
500,001	-	750,000	**14**	19	**-**	-
750,001	-	1,000,000	**89**	79	**45**	43
1,000,001	-	1,250,000	**97**	97	**40**	41
1,250,001	-	1,500,000	**23**	23	**23**	23
1,500,001	-	1,750,000	**19**	19	**16**	19
1,750,001	-	2,000,000	**12**	12	**13**	12
Above	-	2,000,001	**52**	52	**49**	52
			412	415	**186**	190

41. Related party transaction

41.1 Compensation of key management personnel

Key management personnel are those having authority and responsibiity for planning, directing and controlloing the activities of the company directly or indirectly, including all the directors (whether executive or ortherwise). Below is the key management compensation during the year:

	2021 N'000	2020 N'000	**2021 N'000**	2020 N'000
Short term benefits (Note 40.1)	**34,066**	**34,400**	**24,066**	**22,530**

41.2 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**
	2021		**2020**	
	N'000	**N'000 Due from/(to) related party**	**N'000**	**N'000 Due from/(to) related party**
41.3 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 relate to fee income received for support services.	**994,688**	**9,409,927**	1,662,939	8,415,239
41.4 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.	**770**	**477,702**	735	476,932
41.5 Minabo Limited One of the Directors of Ikeja Hotel Plc is also a director of Minabo Limited. Transaction in the year relate to interest payable on outstanding loan liability.	**(272,762)**	**(2,545,775)**	(244,133)	(2,273,014)

		Transactions 2021	Balance 2021	Transactions 2020	Balance 2020
		N'000	N'000	N'000	N'000
			Due from/(to) related party		Due from/(to) related party
41.6	**Associated Ventures International Limited** One of the Directors of the Company is also a director of Associated Ventures International Limited. Transaction relates to interest payable on outstanding loan balance.	**(206,881)**	**(1,930,892)**	(35,902)	(1,724,011)
41.7	**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 was in respect of interest accrued on outstanding loan liability.	**(466,354)**	**(4,352,640)**	(417,406)	(3,886,285)
41.8	**Capital Hotels Plc** Capital Hotels Plc is a member of the Ikeja Hotel Group and in the business of hotel and catering services. Transactions in the year relate to Loan repayments.	**11,069**	**(506,647)**	(102,733)	(517,717)
41.9	**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.	**3,938**	**256,879**	6,039	252,942
41.10	**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.	**-**	**(784,717)**	-	(784,760)
41.11	**Punuka 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 Punuka Nominees Limited.	**5,000**	**-**	5,000	-
41.12	**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	**6,150**		8,650	

42. 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).

43. Deposit for shares

This represents deposits made by Next International Limited for 31,200,000 units of shares at N3.00 each yet to be alloted. At the Annual General Meeting of the Company held on 13 August 2020, the shareholders approved the allotment of 83,571,428 units of ordinary shares at N1.12k to the Company.

44. Contigencies

44.1 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. (2020: Nil)

44. Contigencies

44.2 Pending litigations and claims

There were a total of five (5) lawsuits against the Company as at 31 December 2021. In the Directors best judgement based on reliance on the assessment of it's the Company's legal counsel, no material claims are likely to arise against the Company from the suits and there are no other suits involving the Company outside the number disclosed. The Directors are not aware of any threatened or pending litigations which may affect the continious operations of the Company. The above legal advise was giving by Oku Enyore Oyibo (FRC/2019/NBA/00000019588) for G.M. Ibru & Co.

The Lagos State Government issued a notice of revocation of Charles Hamptom & 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.

45. Events after the reporting date

The Directors are of the opinion that there were no significant events after the reporting date which would have had any material effect on the state of affairs as at 31 December 2021 and on the profit or loss for the year ended on that day which require disclosure in these financial statements.

46. Forensic audit

The Forensic Audit instituted by the Securities & Exchange Commission (SEC) in the year 2017 into the affairs of the Company has been concluded. Consequent upon its conclusion, the Board expects a resolution to all legacy issues including those matters disclosed in note 25.2.

47. 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

47.1 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.

47.2 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.

47.3 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.

47.4 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.

47.5 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	
	2021	2020	**2021**	2020
	N'000	N'000	**N'000**	N'000
Financial assets				
Related party receivables	**9,409,927**	8,415,239	**10,144,508**	9,145,114
Investments accounted for using the equity method	**-**	-	**798,722**	798,722
Trade and other receivables	**1,083,143**	631,077	**627,068**	410,265
Cash and cash equivalents	**4,844,019**	4,051,117	**3,836,334**	2,482,941
	15,337,089	13,097,433	**15,406,632**	12,837,042

47.6 Impairment of trade receivables

Group	Days						
	0 - 30	31-60	61-90	91-120	121-180	181 and above	Total
2021	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	604,255	191,319	78,656	9,342	66,342	279,168	1,229,082
Default rate	4.21%	3.67%	4.86%	6.53%	6.70%	37.47%	
Lifetime ECL	25,430	7,018	3,822	610	4,442	104,617	145,939
2020							
Gross carrying amount	277,988	79,808	32,827	6,802	34,970	314,558	746,953
Default rate	3.21%	4.13%	7.33%	8.71%	3.78%	31.58%	
Lifetime ECL	8,917	3,292	2,407	592	1,321	99,345	115,876

Company	Days						
	0 - 30	31-60	61-90	91-120	121-180	181 and above	Total
2021	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount	374,077	140,527	43,041	9,342	9,793	73,778	650,559
Default rate	1.99%	3.04%	5.10%	6.53%	7.92%	11.11%	
Lifetime ECL	7,443	4,274	2,194	610	775	8,194	23,491
2020							
Gross carrying amount	248,045	63,578	25,109	6,802	2,935	87,998	434,467
Default rate	3.15%	3.89%	7.15%	8.71%	10.07%	12.76%	
Lifetime ECL	7,813	2,476	1,795	592	296	11,229	24,202

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 historicalct loss rates for classes of trade receivables with similar characteristics and adjusting those rates to reflect the effect of forward looking macro econimic variables.

These macro economic variables include inflation and interest rates.

47.7 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.

47.7 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

47.8 Financial risk

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

47.9 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.

47.10 Liquidity risk (continued)

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 2021			
Financial liabilities			
Other liabilities	**8,972,566**	**10,046,564**	**19,019,130**
Trade and other payables	**3,961,289**	-	**3,961,289**
Dividend payable	**105,960**	-	**105,960**
	13,039,815	**10,046,564**	**23,086,379**
At 31 December 2020			
Financial liabilities			
Other liabilities	9,008,086	9,258,776	18,266,862
Trade and other payables	3,331,703	-	3,331,703
Dividend payable	102,074	-	102,074
	12,441,863	9,258,776	21,700,639

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 2021			
Financial liabilities			
Other liabilities	**8,179,481**	**10,579,782**	**18,759,263**
Trade and other payables	**1,420,865**	-	**1,420,865**
Dividend payable	**16,691**	-	**16,691**
	9,617,037	**10,579,782**	**20,196,819**
At 31 December 2020			
Financial liabilities			
Other liabilities	8,695,529	9,102,193	17,797,722
Trade and other payables	1,076,894	-	1,076,894
Dividend payable	16,691	-	16,691
	9,789,114	9,102,193	18,891,307

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

47.11 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:

47.12 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.

47.13 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.

47.14 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 2021			
Assets			
Cash and cash equivalents	**4,844,019**	**-**	**4,844,019**
Trade receivables	**-**	**1,905,252**	**1,905,252**
Loans receivable	**-**	**9,409,927**	**9,409,927**
Investments accounted for using the equity method	**-**	**-**	**-**
	4,844,019	**11,315,179**	**16,159,198**
Liabilities			
Trade payables	**3,961,289**	**-**	**3,961,289**
Other payables	**9,078,526**	**-**	**9,078,526**
	13,039,815	**-**	**13,039,815**
At 31 December 2020			
Assets			
Cash and cash equivalents	4,051,117	-	4,051,117
Trade receivables	-	631,077	631,077
Loans receivable	-	8,415,239	8,415,239
Investments accounted for using the equity method	-	-	-
	4,051,117	9,046,316	13,097,433
Liabilities			
Trade payables	3,331,703	-	3,331,703
Other payables	7,678,045	-	7,678,045
	11,009,748	-	11,009,748

The Company

	Fair value N'000	Amortised cost N'000	Carrying amount N'000
At 31 December 2021			
Assets			
Cash and cash equivalents	**3,836,334**	**-**	**3,836,334**
Trade receivables	**-**	**627,067**	**627,067**
Loans receivable	**-**	**9,409,927**	**9,409,927**
Investments accounted for using the equity method	**798,722**	**-**	**798,722**
	4,635,056	**10,036,994**	**14,672,050**
Liabilities			
Trade payables	**1,420,865**	**-**	**1,420,865**
Other payables	**8,196,172**	**-**	**8,196,172**
	9,617,037	**-**	**9,617,037**

47.14 Fair value determination (continued)

The Company (continued)	Fair value	Amortised cost	Carrying amount
At 31 December 2020	N'000	N'000	N'000
Assets			
Cash and cash equivalents	2,482,941	-	2,482,941
Trade receivables	-	410,265	410,265
Loans receivable	-	8,415,239	8,415,239
Investments accounted for using the equity method	798,722	-	798,722
	3,281,663	8,825,504	12,107,167
Liabilities			
Trade and other payables	1,076,894	-	1,076,894
Other payables	7,166,800	-	7,166,800
	8,243,694	-	8,243,694

47.15 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:

47.16 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.

47.17 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).

48. Impact of COVID-19 pandemic

The financial year ended 31 December 2021 marked the full year after the outbreak of COVID – 19 Pandemic. Tourism/Hospitality sector of Nigeria economy where our business belongs is the worst hit by the pandemic, with no palliative for the sector from the government. The government started gradual relaxation of various restrictions from the third quarter of 2020. International flights started coming into the country with visitors subjected to various COVID – 19 Protocol as prescribed for foreign visitors. The impact of the relaxation of COVID - 19 Protocol had positive impact on hospitality industry. Our hotel experienced steady improvement in occupancy level, increase in demand for meeting rooms and banquet hall booking.

Our adherence to the highest standard of hygiene and COVID – 19 Protocols has kept our spaces safe for business. The strategic plans designed at the outbreak of the pandemic to mitigate the effect on the business were well executed by the management. The Company at the end of 2021 financial year has fully recovered from the losses suffered during the immediate past year as a result of effect of Covid 19 Pandemic.

We will continue to ensure that our hotel spaces are kept safe for business and our guests, and will continue to improve on the achievement recorded in the financial year 2021.

Cost of operation

The cost of energy continues to pose serious challenge to the business. Electricity supply from public source is grossly inadequate and cost of diesel continue to be on the increase. Inflation and continuous depreciation of naira make planning difficult and the cost of operation very high.

Conclusion

The board is confident that the current profitability trend will be sustained with the cost control measure put in place.

49. Provision of non-audit services

The Company's Joint Auditors, Messrs. Ahmed Zakari & Co. (Chartered Accountants) and Ugochukwu, Ike & Co. (Chartered Accountants) did not provide non-audit services to the Company during the year ended 31 December 2021.

Other national disclosures

IKEJA HOTEL PLC

STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2021

	The Group				The Company			
	2021		**2020**		**2021**		**2020**	
	N'000	**%**	N'000	%	**N'000**	**%**	N'000	%
Revenue	**9,868,545**		5,068,571		**6,169,855**		3,120,988	
Other income	**384,968**		759,150		**84,632**		329,703	
Finance income	**11,535**		13,490		**11,535**		41,920	
	10,265,048		5,841,211		**6,266,022**		3,492,611	
Cost of goods and services - local	**(6,219,422)**		(9,762,133)		**(3,548,852)**		(2,605,100)	
Value added	**4,045,626**	**100**	(3,920,922)	100	**2,717,170**	**100**	887,511	100
Applied as follows:								
To pay employees:								
Salaries wages and other staff costs	**2,075,402**	**51**	1,561,268	(40)	**1,072,848**	**39**	1,064,011	120
To providers of capital:								
Finance costs	**945,997**	**23**	846,706	(22)	**966,528**	**36**	870,517	98
To pay Government:								
Income and Education tax	**480,831**	**12**	(10,964)	0	**46,242**	**2**	(16,902)	(2)
To provide for assets replacement:								
Depreciation and amortisation of property, plant and equipment and intangible assets	**823,293**	**20**	1,007,022	(24)	**471,144**	**17**	574,048	65
Retained for future expansion:								
- Deferred taxation	**(99,283)**	**(2)**	(603,253)	15	**17,449**	**1**	(372,456)	(42)
- Retained profit for the year	**(180,614)**	**(4)**	(6,721,701)	171	**142,959**	**5**	(1,231,707)	(139)
Value added	**4,045,626**	**100**	(3,920,922)	100	**2,717,170**	**100**	887,511	100

Value added represents the additional wealth, the group has been able to create by its own and it's 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

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
Group					
Statement of financial position					
Assets					
Property, plant and equipment	**17,791,198**	18,340,772	9,950,728	5,949,416	6,230,647
Investment Property	**-**	-	4,630,087	4,630,087	4,630,087
Capital work in progress	**5,163,458**	4,844,322	4,216,034	6,529,985	6,320,396
Intangible assets	**4,487,149**	4,552,218	4,619,383	4,487,764	4,500,948
Investments accounted for using the equity method	**-**	-	-	147,014	315,023
Loans to related party	**-**	-	-	-	6,151,565
Net current (liabilities)/assets	**3,366,679**	2,805,462	5,319,618	5,938,508	(1,730,939)
Non-current liabilities	**(10,046,564)**	(9,727,161)	(9,365,268)	(9,232,847)	(9,073,159)
Net assets	**20,761,920**	20,815,613	19,370,582	18,449,927	17,344,568
Equity and reserves					
Share capital	**1,039,398**	1,039,398	1,039,398	1,039,398	1,039,398
Share premium reserve	**1,381,072**	1,381,072	1,381,072	1,381,072	1,381,072
Retained earnings	**6,413,223**	6,268,548	12,329,582	11,673,832	10,909,841
Revaluation reserve	**3,121,799**	3,121,799			
	11,955,492	11,810,817	14,750,052	14,094,302	13,330,311
Non-controlling interest	**8,806,428**	9,004,796	4,620,530	4,355,626	4,014,257
Total equity	**20,761,920**	20,815,613	19,370,582	18,449,928	17,344,568
Summary of statement of profit or loss and other comprehensive income					
Revenue from contract with customers	**9,868,545**	5,068,571	12,515,560	13,226,569	12,122,013
Profit/(loss) before tax	**200,934**	(7,335,918)	1,147,080	1,229,079	733,817
Income tax expense	**(381,548)**	614,217	(312,134)	(123,720)	(130,205)
Profit for the year	**(180,614)**	(6,721,701)	834,946	1,105,359	603,612
Other comprehensive income for the year					
Remeasurement gain/(loss) on retirement benefit obligation	**126,921**	94,560	195,891	-	(18,539)
Revaluation of land	**-**	8,161,567	-	-	-
	126,921	8,256,127	195,891	-	(18,539)
Total comprehensive income for the year	**(53,693)**	1,534,426	1,030,837	1,105,359	585,073
Per share data:					
Basis and diluted earnings per share - Kobo	**(9)**	(323)	40	53	29
Net assets (kobo)	**999**	1,001	932	888	834

Earnings per share are 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 are 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

	2021	2020	2019	2018	2017
	N'000	N'000	N'000	N'000	N'000
Company					
Statement of financial position					
Assets					
Property, plant and equipment	**7,217,267**	7,604,307	8,075,375	3,888,645	3,976,574
Capital work in progress	**66,713**	65,390	13,446	4,238,336	4,111,841
Intangible assets	**16,938**	12,664	6,137	8,995	10,185
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
Loans to related party	**-**	-	-	-	6,151,565
Deferred tax asset	**220,392**	237,841			
Net current (liabilities)/assets	**5,683,971**	4,309,583	5,446,230	4,475,685	(3,046,856)
Non-current liabilities	**(10,579,782)**	(9,874,166)	(10,006,846)	(9,751,962)	(9,020,644)
Net assets	**7,868,739**	7,598,859	8,777,582	8,102,939	7,425,905
Equity and reserves					
Share capital	**1,039,398**	1,039,398	1,039,398	1,039,398	1,039,398
Share premium reserve	**1,381,072**	1,381,072	1,381,072	1,381,072	1,381,072
Retained earnings	**5,448,269**	5,178,389	6,357,112	5,682,469	5,005,435
Total equity	**7,868,739**	7,598,859	8,777,582	8,102,939	7,425,905
Statement of profit or loss and other comprehensive income					
Revenue from contract with customers	**6,169,855**	3,120,988	7,327,284	7,249,133	6,317,459
Profit/(loss) before tax	**206,650**	(1,621,065)	679,468	827,273	264,876
Income tax expense	**(63,691)**	389,358	(138,352)	(150,239)	(129,230)
Profit/loss for the year	**142,959**	(1,231,707)	541,116	677,033	135,645
Other comprehensive income for the year	**126,921**	94,560	195,891	-	(18,539)
Total comprehensive income/(loss) for the year	**269,880**	(1,137,147)	737,007	677,033	117,106
Per share data:					
Basis and diluted earnings per share - Kobo	**7**	(59)	26	33	7
Net assets (kobo)	**379**	366	422	390	357

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