



**THE TOURIST COMPANY OF NIGERIA PLC** (RC 3781)  
(Trading as the Federal Palace Hotel & Casino, Victoria Island, Lagos.)

## Annual Report and Annual Financial Statements

Together with Directors', Audit Committee  
And Independent Auditor's Reports

FOR THE YEAR **2021**  
ENDED 31 DECEMBER



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## THE TOURIST COMPANY OF NIGERIA PLC

6 - 8 Ahmadu Bello Way Victoria Island Lagos Nigeria. Telephone +234 (1) 277 9000  
Websites: www.tcn.com.ng www.suninternational.com

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 57th Annual General Meeting of the Tourist Company of Nigeria Plc will be held at the Federal Palace Hotel & Casino, 6 - 8 Ahmadu Bello Way, Victoria Island, Lagos on Friday July 29, 2022, at 11:00 am to transact the following business:

#### AGENDA

##### ORDINARY BUSINESS

1. To lay before members for approval, the audited Financial Statements for the year ended December 31 2021, and to receive the report of the Directors, Audit Committee and Auditors thereon;
2. To re-elect the following Directors retiring by rotation in accordance with the Company's memorandum and articles of association.
  - Chief Anthony Idigbe, SAN and Mr Andrew Johnston
  - Special Notice is hereby given to re-elect Dr Alexander Thomopoulos as a Director of the Company, notwithstanding that he is over 70 years old
3. To appoint BDO Professional Services as the Company's external auditor
4. To authorize the Directors to fix the remuneration of the External Auditors
5. To elect members of the Statutory Audit Committee.
6. To note the remuneration of Managers as disclosed in the Company's audited Financial Statements for the year ended 31 December 2021.

##### SPECIAL BUSINESS

1. To remove KPMG Professional Services Ltd as the Company's external auditor
2. To approve the appointment of the Internal Auditors of the Company.
3. To approve the remuneration of the Directors

4. To approve and grant a general mandate to the Board of Directors to engage in transactions with related parties as subsequently would be required for the proper running and day to day operations of the Company.

##### I. PROXY

A member of the Company entitled to attend and vote at the meeting who is unable to attend the meeting and wishes to be represented at the meeting is entitled to appoint a proxy to attend, speak and vote in his/her stead. A proxy need not be a member of the Company. A Proxy Form is enclosed herewith, and if it is to be valid for the meeting, it must be completed and duly stamped by the Commissioner of Stamp Duties and deposited at the registered office of the Registrars, Greenwich Registrars and Data Solutions, 274 Murtala Muhammed Way, Yaba, Lagos not less than 48 hours before the time of the meeting. The form may also be sent via email to proxy@gtlregistrars.com. The Company will bear the cost of the stamping all completed proxy forms.

##### II COMPLIANCE WITH REGULATORY GUIDELINES ON COVID-19

In line with the Guidelines of the Corporate Affairs Commission (CAC) on the conduct of Annual General Meetings (AGMs) by Proxy, and the need to comply with government directives on health and safety measures against the COVID-19 pandemic, attendance at the AGM will be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

Mrs Ganiat A Siyonbola  
Bakare Adebisi Oluwayemi  
Prince Anthony Omojola  
Mr Ufuoma Ibru  
Dr Alexander Thomopulos  
Mr David Kliegl  
Sir Olatunde Okelana

### III. NOMINATIONS FOR THE AUDIT COMMITTEE

Under Section 404(6) of the Companies and Allied Matters Act 2020, Laws of the Federation of Nigeria, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. Such nominations should be guided by the requirements of the Nigerian Code of Corporate Governance in Nigeria, 2018. Please note that the nominees shall be financially literate with a proof of qualification.

### IV. RIGHT OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the meeting but also in writing prior to the meeting and such questions must be submitted to the Company Secretary on or before Tuesday 19 July 2022.

### V. CLOSURE OF REGISTER

The Register of Members and the Transfer Books of the Company will be closed from Friday, 15 July 2022 to Thursday, 21 July 2022, both dates inclusive.

BY ORDER OF THE BOARD



Florence Ojewumi  
FRC/2020/002/NBA/00000020640  
For PUNUKA NOMINEES LIMITED  
Company Secretary  
Lagos  
02 June 2022

## **Company Profile**

The Tourist Company of Nigeria (“the Company”) was incorporated on 10 April 1964 as The Tourist Company of Nigeria Limited, at that stage wholly-owned by the Federal Government of Nigeria, to acquire the Federal Palace Hotel (“the Palace Hotel”). The Palace Hotel, built at the dawn of Nigeria’s independence in 1960, was previously owned by Victoria Beach Hotel Limited, a member of the AG Leventis group. The Company was converted to a public liability company on 20 April 1994, when it also assumed its present name.

The Palace Hotel was designed and built to a very high standard: it was to be, and indeed it was, the premier international hotel in the country at the time. It is worth noting that the celebration of Nigeria’s independence from the United Kingdom took place in the Hotel’s Independence Hall in 1960.

The 15 floor Suites Hotel (also known as the Towers) was built to coincide with the Summit of the Heads of State of the African Union and the Festival of African Arts and Culture, held in Nigeria in 1977.

In 1992, Ikeja Hotel Plc, in association with another investor (collectively the “Ikeja Hotel Group”) acquired The Tourist Company of Nigeria Plc from the Federal Government. In 2009 and 2010, Sun International Limited acquired a substantial shareholding in the Company, thereby becoming an equal shareholder with the Ikeja Hotel Group of shareholders.

Following the acquisition of the Company from the Federal Government, a comprehensive and phased refurbishment of the Palace Hotel was undertaken and it was re-opened in July 2008. The Towers Hotel was closed for refurbishment in June 2009 and has yet to be re-opened. A modern casino was opened in December 2009, a new banqueting facility in January 2010, and the Pool Club in September 2010.

The Federal Palace Hotel & Casino complex currently incorporates a casino, two restaurants and bars, meeting rooms, a banqueting and conference centre, and extensive recreational facilities. It is set on a large property with picturesque gardens and a panoramic view of the Lagos harbour.

## Financial highlights

	<u>2021</u>	<u>2020</u>	<u>% Increase /</u> <u>(Decrease)</u>
	₦'000	₦'000	
<b>Major statement of financial position items</b>			
Non-current assets	30,505,740	31,152,845	(2)
Current assets	1,188,375	976,720	22
Capital and reserves/Net Asset	1,210,473	3,541,872	(66)
Non-current liabilities	28,749,199	27,142,478	6
Current liabilities	1,734,443	1,445,215	20
Net assets per share (kobo)	54	158	(66)
	<u>2021</u>	<u>2020</u>	<u>% Increase /</u> <u>(Decrease)</u>
	₦'000	₦'000	
<b>Major statement of profit or loss and other comprehensive income items</b>			
Revenue	3,081,638	1,306,255	136
Loss before taxation	(2,326,716)	(7,888,451)	(71)
Taxation	(4,683)	-	100
Loss for the year	(2,331,399)	(7,653,985)	(70)
Loss per share- basic (kobo)	(104)	(351)	(70)
<b>Stock Exchange Information</b>			
Stock exchange quotation			
In Naira per share	2.84	3.15	(10)
Number of shares issued ('000)	2,246,437	2,246,437	-
Market capitalisation (₦'000)	6,379,881	7,076,277	(10)

## **Corporate information**

### **Board of directors**

Chief Anthony Idigbe, SAN - Chairman  
Mr. Abatcha Bulama  
Mr. Ufuoma Ibru  
Mr. D. Ramakhatela Mokhobo\*  
Mr. T. J. David Kliegl \*  
Mr. Andrew G. Johnston \*  
Dr. Alexander A. Thomopulos  
Mr Graham I. Wood \*

### **Secretary**

Punuka Nominees Limited  
International Law Centre  
Plot 45 Oyibo Adjarho Street  
Off Ayinde Akinmade Street  
Off Admiralty Way  
Lekki Peninsula Phase 1  
Lagos  
Tel: +234 (1) 2704789, 2704791

### **Independent auditor**

KPMG Professional Services  
KPMG Tower  
Bishop Aboyade Cole Street  
Victoria Island  
Lagos

### **Registration number**

RC 3781

### **Tax Identification Number**

00275919-0001

### **Members of the audit committee**

Representing the shareholders:  
Mr Amusa-Oseni Adekunle  
Mr Salau M. Adebajo  
Mr. Peter A Soares

Representing the board of directors:

Mr. D. Ramakhatela Mokhobo\*  
Mr. Abatcha Bulama

\* *South African*

### **Solicitors**

GM Ibru & Co  
Circular Suite, 10th floor  
Federal Palace Hotel  
6-8 Ahmadu Bello Way  
Victoria Island

Adepetun Caxton-Martins Agbor & Segun  
9th Floor, St Nicholas House  
Catholic Mission Street  
Lagos

Aluko & Oyebode

1, Murtala Muhammed Drive  
Ikoyi, Lagos

### **Registrar**

Greenwich Registrars & Data Solutions  
274 Murtala Muhammed Way  
Yaba  
Lagos

### **Hotel and Casino Operators**

Sun International Management Limited  
6 Sandown Valley Crescent  
Sandton  
Republic of South Africa

### **Principal bankers**

Stanbic IBTC Bank Plc  
Plot 1712  
Idejo Street  
Victoria Island  
Lagos

United Bank for Africa Plc  
UBA house  
57 Marina  
Lagos Island  
Lagos

## Shareholder Information

### HISTORY OF SHARE CAPITAL CHANGES

Date	Authorised (Naira)		Issued and fully paid		Consideration
	Increase	Cumulative	Increase	Cumulative	
11 April 1964	200	200	200	200	Cash
8 July 1985	10,699,800	10,700,000	10,699,800	10,700,000	Cash
6 June 1991	16,920,000	27,620,000	16,920,000	27,620,000	Cash
14 November 1991	602,280	28,222,280	602,280	28,222,280	Cash
3 December 1993	471,777,720	500,000,000	452,703,720	480,926,000	Cash
31 May 2000	500,000,000	1,000,000,000	-	480,926,000	
18 June 2002	-	1,000,000,000	88,223,412	569,149,412	Cash
1 December 2008	1,000,000,000	2,000,000,000	-	569,149,412	
10 May 2010	-	2,000,000,000	554,071,324	1,123,220,736	Cash

### SHARE CAPITAL ANALYSIS AS AT 31 DECEMBER 2021

Range of shareholding	Number of shareholders	% of total shareholders	Total number of shares held	% shareholding
1 - 1,000	3,592	71.84	2,160,848	0.10
1,001 - 5,000	1,133	22.66	2,948,504	0.13
5,001 - 10,000	131	2.62	1,160,054	0.05
10,001 - 50,000	90	1.80	2,133,181	0.09
50,001 - 100,000	17	0.34	1,429,079	0.06
100,001 - 500,000	21	0.42	6,014,320	0.27
500,001 - 1,000,000	3	0.06	2,226,494	0.10
1,000,001 - and above	13	0.26	2,228,364,992	99.20
	<b>5,000</b>	<b>100.00</b>	<b>2,246,437,472</b>	<b>100.00</b>



## **Chairman's report**

*For the year ended 31 December 2021*

### **Operating environment**

The effect of the COVID-19 pandemic and its various variants continues to negatively affect the business of the Tourist Company of Nigeria Plc (TCN), as seen in the 2021 financial year and the world at large, as it adapts to the pandemic's effects.

The National Bureau of Statistics (NBS) estimates that Nigeria's economy grew by 3.4% in 2021, from the 1.92 % contraction recorded in 2021. Accordingly, in its National Gross Domestic Product report for Q4 2021, Nigeria's Gross Domestic Product (GDP) grew by 3.9% (year-on-year) in real terms in Q4 2021, showing a sustained positive growth for the Q4 since the recession and inflation witnessed in 2020 when output contracted by -6.10% and -3.62% in Q2 and Q3 of 2020 under the Covid pandemic.

The Q4 2021 growth indicates a steady recovery accounting for annual growth of 3.40% in 2021. As a result, the Q4 2021 growth rate was higher than the 0.11% growth rate recorded in Q4 2020 by 3.87% points and lower than 4.03% recorded in Q3 2021 by 0.05% points. Nevertheless, quarter on quarter, real GDP grew at 9.63% in Q4 2021 compared to Q3 2021, reflecting a higher economic activity than the preceding quarter. As a result, the nominal GDP growth rate in Q4 2021 was higher relative to the 10.07% growth recorded in Q4 2020 but lower than the 15.41% growth recorded in the preceding quarter. Consequently, 2021 annual nominal growth stood at 13.92%.

Nigeria's inflation rate increased by 16.5% (year-on-year) in October 2021 from October 2020. Based on an expected recovery in crude oil prices and production, the economy is projected to grow by 2.9% in 2022. In addition, stimulus measures outlined in the ESP and the Finance Act 2020 could also boost non-oil revenues.

We must continue to adhere to COVID-19 protocols and health advisories to keep safe as we take advantage of the vaccines made available through the National Primary Health Care Development Agency (NPHCDA).

### **Company Performance**

The Company's revenue for the year ended 31 December 2021 increased by 136% to N3.1 billion, from the year ended 31 December 2020. The revenue for 2020 was negatively impacted by the closure of the business for five months due to the COVID-19 pandemic. Due to the adoption of the NAFEX exchange rate for foreign exchange translations throughout the year 2021 compared to the change of exchange rate from CBN rates to NAFEX rates in the year 2020 and the impact of two devaluations of the Naira against the US Dollar in 2020, forex revaluation of shareholder loans reduced by 77% resulting in operating loss before minimum taxation decrease of 70%, compounded by improved margins. Competition remains aggressive, and price increases were increasingly challenging to pass on to the customer. Strict cost controls remain enforced in all operational departments.

The Company has two business segments, namely Hotel and Casino operations. The results of these segments are set out fully in the financial statements.

Casino revenue increased by 201%. Tables' games revenue increased by 109% compared with the previous year, with slots revenue increasing by 230%. It is anticipated that casino revenue will come under pressure from both the economy, the growing trend in sports betting and the growth in the number of other casinos throughout Lagos, and in particular those in close proximity to the Federal Palace.

Hospitality revenue increased by 93% from the previous year. The room occupancy was better than the year 2020 by 15% as in the year 2021 operations was for a full year compared to seven months of trade for the year 2020, compounded growth in the average room rate. Food and beverage revenue reflected significant growth, especially in banqueting. The strategy of room rate adjustment, cost containment and competitively priced products and services continues to contribute to maintaining market relevance. Consequently, gross hospitality profit increased by 156%.

Indirect costs increased by 28% compared with the previous year. Energy costs increased by 48% due to reduced electricity supply from the EKEDC grid and the increase in tariff. The EKEDC grid remains erratic and the Company relies on its diesel power generation plant.

The Company incurred a comprehensive loss of N2.3 billion compared to N7.9 billion for the year 2020. The loss does not include interest on shareholder loans as the interest accrual was suspended following a successful Company Voluntary Application (CVA).

### **Forensic Audit**

The Securities and Exchange Commission (SEC) contracted Akintola Williams Deloitte to perform a forensic audit on the Company, focusing on the Sun International acquisition of TCN shares and the “Ikeja Hotel Group” TCN investment. Although there are currently challenges posed in achieving this, we hope that the audit results will positively affect the Company’s affairs and settle the shareholders’ dispute, which significantly affects the Company

### **Delisting of the Company**

The Company notified the Nigerian Stock Exchange (NSE) on 1st July 2015 of its intention to delist the Company owing to its non-compliance with the free float requirements of the NSE. On 11th May 2017, the NSE communicated its decision to halt the Company’s delisting due to the Company’s affiliation with Ikeja Hotel Plc, which is currently undergoing governance issues. Upon completion of the forensic audit, the Board will revisit available options to achieve an outcome in the Company’s best interest.

### **2022 Future Outlook**

Despite several waves of the pandemic and its resultant effect, we have repositioned our Company considering the new normal. Our Company has set up structures and measures to maintain high COVID-19 protocol compliance and ensure staff and clients’ safety.

We are committed to ensuring the Company’s profitability and applying solid strategies to compete on the price and quality of the hospitality services rendered to customers and maintain its property to the highest standard.

Notwithstanding the emergence of new casinos, the Company is hopeful that together with the regulatory body, the Lagos State Lotteries Board, the casino industry will see regulatory enforcement and compliance, leading the way for licensed operators to grow their businesses successfully.



**Chief Anthony Idigbe**  
Chairman

**FRC/2014/NBA/00000010414**

## Directors' report

*For the year ended 31 December 2021*

The board of directors is pleased to present its report to the members of the Company, together with the audited annual financial statements of the Company for the year ended 31 December 2021.

### Legal form & principal activities

The Company was incorporated in Nigeria as a private limited liability company on 10 April 1964 and was converted to a public limited liability company on 20 April 1994.

### Principal activities

The principal activities of the Company are the operation of gaming and hospitality businesses.

### Operating results for the year

The Company's results for the year are as follows:

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Revenue	3,081,638	1,306,255
Loss before taxation	<u>(2,326,716)</u>	<u>(7,888,451)</u>
Total comprehensive loss for the year	<u>(2,331,399)</u>	<u>(7,653,985)</u>

### Property, plant and equipment

New capital work in progress during the year amounted to ₦62 million (2020: ₦141 million). Completed capital work in progress transferred to property, plant and equipment during the year totalled ₦4 million (2020: ₦242 million). Details of movements in the property, plant and equipment are shown in Note 11(a) to the financial statements. The directors are of the view that the Company's property, plant and equipment are valued at amounts not lower than the recoverable amount.

### Dividend

The Company has not declared or paid any dividends for the period under review, and no dividend is proposed (2020: Nil)

### Retirement of directors by rotation

In accordance with the articles of association of the Company, Chief Anthony Idigbe, SAN, Mr Andrew Johnston, and Dr Alexander Thomopoulos are to retire by rotation at the annual general meeting. The retiring directors are eligible for re-election and have accordingly offered themselves for re-election.

### Substantial shareholdings

As at 31 December 2021, the following shareholders held more than 5% of the issued share capital of the Company.

	<u>No. of shares</u>	<u>%</u>
Sun International Limited	1,108,138,647	49.3
Associated Ventures International Limited	419,408,169	18.7
Oma Investments Limited	405,614,547	18.1
Ikeja Hotels Plc	273,529,085	12.2

### Directors' interests in contracts

Directors are required to disclose any interests they may have in contracts to be entered into by the Company, prior to the consideration of those proposed contracts by the board. The directors have notified the Company, for the purpose of Section 303 of the Companies and Allied Matters Act (CAMA) 2020, of their interest in new contracts deliberated upon during the period under review.

Mr. D Ramakhatela Mokhobo, and Mr. Norman Basthdaw are directors of Sun International (South Africa) Limited with which the Company signed an operating management agreement, effective 1 October 2017. This agreement has been approved by the National Office for Technology, Acquisition and Promotion (NOTAP) for a period of 5 years. The expiration date is 30 September 2022.

The Chairman of the Company is a partner in the law firm that acts as the company secretary to the Company.

Further information on directors' interests in contracts entered into in the current and prior years is provided in Note 24 to the annual financial statements.

### **Directors' interests in shares**

The direct and indirect interests of directors in the issued share capital of the Company, as recorded in the register of members at year end, are as follows:

	31 December 2021		31 December 2020	
	Number of shares held	Number of shares held	Number of shares held	Number of shares held
	Direct	Indirect	Direct	Indirect
Chief Anthony Idigbe	-	-	-	-
Mr. D Ramakhatela Mokhobo	-	-	-	-
Mr. Abatcha Bulama	-	-	-	-
Dr. Alexander A Thomopulos	25,000	-	25,000	-
Mr. Ufuoma Ibru	-	-	-	-
Mr. T. J. David Kliegl	-	-	-	-
Mr. Andrew G Johnston	-	-	-	-
Mr. Graham Wood	-	-	-	-

### **Corporate governance**

The Company continues to subscribe to the highest principles of good corporate governance. An outline of the Company's current corporate governance structure and practices is provided below:

#### **– Board of directors**

The directors are responsible for the corporate governance of the Company.

The directors have a responsibility to ensure that proper accounting records are kept, and that the financial status of the Company is at all times disclosed with reasonable accuracy. The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act, (CAMA) 2020 and the Financial Reporting Council of Nigeria Act, 2011. In this regard, the responsibility of the directors includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The directors are also responsible for protecting the Company's assets and taking reasonable steps for preventing and detecting fraud and other malpractices with regard to the Company's affairs.

The affairs of the Company are structured for management by a board of eight directors. As at the date of this report the board consisted 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 Company's business.

#### **– Process of appointment of board members**

The Company's nomination and governance committee ("committee") has the responsibility, per the Company's board charter, the committee's mandate and terms of reference and best corporate governance practices, to nominate members for appointment to the board. The Committee regularly reviews the structure, size, composition and commitment of the board members having regard to, among others, the Company's memorandum and articles of association, plus shareholders agreement and makes recommendations on any proposed changes to the board. The committee identifies suitable candidates to fill any vacancy that may arise on the board. The committee recommends these individuals to the board for board approval. Thereafter, the board recommends these individuals' to shareholders for election or re-election, as the case may be, at each Annual General Meeting (AGM).

The directors who served during the financial year and to the date of this report were:

Chief Anthony Idigbe, SAN - Chairman  
Mr. Abatcha Bulama  
Mr. Ufuoma Ibru  
Dr. Alexander A. Thomopulos  
Mr. D. Ramakhatela Mokhobo \*  
Mr. T. J. David Kliegl \*  
Mr. Andrew G. Johnston \*  
Mr. Graham I. Wood \*  
\* South African

The board met five times during the financial year (on 29 January 2021, 4 March 2021, 29 April 2021, 28 July 2021 and 28 October 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 out below:

Name	29.01.2021	04.03.2021	04.29.2021	07.28.2021	28.10.2021
Chief Anthony Idigbe, SAN	✓	✓	✓	✓	✓
Mr. Abatcha Bulama	✓	✓	✓	✓	✓
Mr. Ufuoma Ibru	✗	✓	✓	✓	✓
Dr. Alexander A. Thomopulos	✓	✗	✗	✗	✗
Mr. D Ramakhatela Mokhobo	✓	✓	✓	✓	✗
Mr. T. J. David Kliegl	✓	✓	✓	✓	✓
Mr. Andrew G. Johnston	✓	✓	✓	✓	✓
Mr. Graham I. Wood	✓	✓	✓	✓	✓

✓ - Present | ✗ - Absent | R - Resigned | NYA - Not Yet Appointed

#### – Audit committee

In accordance with Section 404(2) of the Companies and Allied Matters Act (CAMA) 2020, the Company has an audit committee comprising two directors and three representatives of the shareholders. The audit committee carries out its functions as set out in section 404(7) of the Companies and Allied Matters Act (CAMA) 2020 and according to its approved terms of reference. At the Audit committee and Board meeting of 3 March and 4 March 2021 respectively, the Board amended its representation on the Audit Committee to two members in compliance with CAMA 2020 by removing Mr Alexander Thomopulos. The members of the audit committee during the financial period under review were comprised as follows:

#### • Representing the shareholders:

Mr. Peter A. Soares (Chairman)  
Mr. Amusa O. Aaron  
Mr. Salau M Adebajo

#### • Representing the board of directors:

Mr. D. Ramakhatela Mokhobo  
Mr. Abatcha Bulama

The audit committee met six times during the financial period under review. The number of meetings attended by each member is indicated below:

Name	26.01.2021	03.03.2021	26.04.2021	27.07.2021	27.10.2021
Mr. Peter A. Soares (Chairman)	✓	✓	✓	✓	✓
Mr. Amusa O. Aaron	✓	✓	✓	✓	✓
Mr. Salau M Adebajo	✓	✓	✓	✓	✓
Mr. D Ramakhatela Mokhobo	✓	✓	✓	✗	✗
Mr. Abatcha Bulama	✓	✓	✓	✓	✓

Name	23.12.2021
Mr. Peter A. Soares (Chairman)	✓
Mr. Amusa O. Aaron	✓
Mr. Salau M Adebajo	✓
Mr. D Ramakhatela Mokhobo	✓
Mr. Abatcha Bulama	✓

✓ - Present | ✗ - Absent | R - Resigned | NYA - Not Yet Appointed

#### - Other committees

In addition to the audit committee, the board has the finance and risk committee and a nomination and governance committee. The composition of the committees and the number of meetings attended by each member is as follows:

#### Finance and risk committee:

Committee member	03.03.2021	27.10.2021
Mr. Abatcha Bulama (Chairman)	✓	✓
Mr. Ufuoma Ibru	✓	✓
Dr. Alexander A. Thomopulos	✗	✗
Mr. D. Ramakhatela Mokhobo	✓	✗
Mr. T. J. David Kliegl	✓	✓
Mr. Andrew G. Johnston	✓	✓

#### Nomination and governance committee:

Committee member	03.02.2021	26.10.2021
Mr. Andrew G. Johnston (Chairman)	✓	✓
Mr. Abatcha Bulama	✓	✓
Mr. Ufuoma Ibru	✓	✓
Dr. Alexander A. Thomopulos	✗	✗
Mr. D. Ramakhatela Mokhobo	✓	✗
Mr. Graham I. Wood	✓	✓

✓ - Present | ✗ - Absent | R - Resigned | NYA - Not Yet Appointed

#### Internal audit

The internal audit function is performed by the firm of Grant Thornton after Deloitte & Touche resigned due to a potential conflict of interest after their appointment as external auditors to Sun International Limited. A systematic, disciplined and risk-based approach is adopted to evaluate and improve the effectiveness of internal controls and governance processes in the areas that are audited (generally twice per annum).

#### Risk management

The Company's executive management has established a finance and risk committee, which is overseen by the board of directors of the Company. The finance and risk committee assesses the risks to the Company on an annual basis and reviews the effectiveness of any mitigating actions and controls for risks identified, on a quarterly basis. This is reported to meetings of the audit committee and the board of directors.

#### Delegation of authority

The Company has an approved delegation of authority framework for matters that can be delegated to Sun International (South Africa) Limited and the Company's executive management, and those matters reserved for the board.

#### Company Voluntary Arrangement to restructure shareholder and related party loans

The board of directors approved the proposal for a Company Voluntary Arrangement ("CVA") between Sun International Limited, Ikeja Hotels Plc (shareholders and creditors of the Company) and Omamo Investment Corporation Limited (a creditor of the Company) on 28 July 2021, in respect of the waiver of interest which would have accrued on the shareholders and related party loan from 1 March 2020 until otherwise agreed to by the shareholders and / or creditors, in accordance with the CVA procedure prescribed under Chapter 17 of the Companies and Allied Matters Act (CAMA), 2020.

In accordance with the CVA procedures, the proposal was considered at separate court-ordered meetings of the shareholders and creditors on 8 December 2021. The shareholders and creditors present at the meetings voted unanimously in favour of the resolution authorizing the implementation of the CVA process. Therefore, in terms of section 438(2)(a) of the CAMA 2020, the CVA has taken effect on the terms of the proposal and the shareholder and related party loans are modified because it has been approved at both court-ordered meetings.

Consequently, the Company has not recognised interest expense on shareholders and related party loans for the period of 1 March 2020 to 31 December 2021.

### **Going concern assessment**

The directors have made an assessment of the Company's ability to continue to trade despite the accumulated loss position, and borrowings exceeding available cash resources. The repayment of the borrowings is governed by the Second Shareholders Agreement, which specifies repayments of the borrowings would only be triggered by the Company achieving specific profitability targets, and provided adequate funding is available. The profitability targets is unlikely to be achieved for the foreseeable future, hence the shareholders loan will not be due for repayment in line with the shareholders' agreement. Despite the economic indicators and the material uncertainty which prevails around the current challenging operating environment, the directors have assessed the cash flow projections for the year ahead and, subject to trading conditions normalizing and the Naira not being devalued further against the US Dollar, believe that the Company will have sufficient financial resources to continue to operate for the following twelve month period. The directors will continue to closely monitor the liquidity position of the Company and keep shareholders apprised thereof.

### **NGX policy requirements**

The Company has developed a Security Trading Policy guiding its related parties (directors, employees and insiders) in compliance with section 14 of the NSE Amended Rules. The directors have complied with the Company's Securities Trading Policy regarding securities transactions. The Company has in place a Complaints Management Policy Framework in compliance with the Securities & Exchange Commission (SEC) rules, which is located on the Company's website at [www.tcn.com.ng](http://www.tcn.com.ng).

### **Management, technical and service agreements**

The Company has an operating management agreement with Sun International (South Africa) Limited for the management of the Federal Palace Hotel & Casino with effect from 1 October 2017. The new agreement was approved by the National Office for Technical Acquisition and Promotion (NOTAP) on 17 December 2018 for a period of five years expiring 30 September 2022.

### **Delisting from the Nigerian Stock Exchange**

On 1 July 2015, the Nigerian Exchange Group (NGX), formerly known as the Nigerian Stock Exchange (NSE) notified the Company of its intention to delist TCN due to the free float deficiency. A board resolution was passed on 13 July 2015 authorising the delisting, and communicated in a letter to the NSE on 20 July 2015. The Company sent a reminder to the NSE on 27 April 2016. The NSE responded on 31 May 2017 that the delisting process had been placed on hold until the governance problems at Ikeja Hotel Plc have been resolved. The board will consider its options when the Ikeja Hotel Plc's governance issues have been resolved, but will co-operate fully with the NSE on the way forward.

### **Employment and employees**

#### **(a) *Employment of physically challenged persons***

There were 4 physically challenged employees as at 31 December 2021 (2020: 4). The Company has an employment policy that precludes discrimination against the physically challenged. For employees of the Company who become physically challenged, arrangements are available to retrain them for alternative work within the Company.

#### **(b) *Health and safety***

All staff are members of an approved medical aid scheme. A daily meal is provided to staff while on duty. The Company is also very conscious of the safety requirements both of its guests and employees, and stringent precautions are taken to ensure this. It has a Health and Safety Committee (comprising management and staff), whose members receive regular training in the areas of health and safety.

*(c) 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 the staff, aimed at ensuring positive labour relations throughout the year. Two Unions, namely Hotel and Personal Services Senior Staff Association (HAPSSSA) and National Union of Hotels and Personal Services Workers (NUHPSW), were formally recognised by Zschlater Nigeria Limited, the substantive employer of the employees on 1 February 2015. Zschlater Nigeria Limited is the company providing staff to TCN. Employees are given regular on the job and classroom training, to equip them with the requisite skills and knowledge required for the efficient performance of their duties.

**Shareholder dispute**

In terms of a settlement agreement brokered by the Securities Exchange Commission (SEC) in 2017, the reconstituted board of the Company remains representative of its major shareholders, namely Sun International Limited, Associated Ventures International Limited, Ikeja Hotel Plc and Oma Investments Limited.

The settlement agreement included, inter alia, the commissioning by the SEC of a forensic audit conducted by Deloitte into Ikeja Hotel Plc and its subsidiaries and investee companies. The forensic audit was completed in January 2018. Subsequent to the completion of the forensic audit, the SEC requested certain further clarifications in 2019 and again in 2020, which were duly provided by, among others, the Company. The Company and its shareholders now await the SEC to issue its final report incorporating its findings and recommendations (if any). An express, alternatively, an implied term of the settlement agreement, was that on the conclusion of the forensic audit and following the SEC's final determination regarding the matter, the various actions and applications previously instituted by certain of the shareholders against the other shareholder/s and/or the Company, following the acquisition by Sun International Limited of an equity interest in the Company, would be withdrawn.

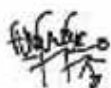
**Donations**

The Company did not make any donations or gifts in the year (2020: Nil). In compliance with Section 43(2) of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 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).

**Independent Auditor**

Messrs. KPMG Professional Services, having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as independent auditors to the Company. In accordance with Section 401(2) of the Companies and Allied Matters Act (CAMA) 2020, therefore, the auditors will be re-appointed at the next annual general meeting of the Company without any resolution being passed.

By Order of the Board



FLORENCE OJEWUMI  
FRC/2020/002/00000020640  
For Punuka Nominees Limited  
Company Secretary  
17 March 2022



## **Statement of Corporate Responsibility for the Financial Statements**

*For the year ended 31 December 2021*

Further to the provisions of the section 405 of the Companies and Allied Matters Acts, 2020 (CAMA), we the General Manager and the Finance Manager, hereby certify the financial statements of The Tourist Company of Nigeria Plc (“The Company”) for the year ended 31 December 2021 as follows:

- (a) That we have reviewed the audited financial statements of the Company for the year ended 31 December 2021.
- (b) That the audited financial statements do not contain any untrue statement of material fact or omit to state a material fact which would make the statements misleading, in the light of the circumstances under which such statement was made.
- (c) That the audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Company as of and for, the year ended 31 December 2021.
- (d) That we are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the companies, during the period end 31 December 2021.
- (e) That we have evaluated the effectiveness of the Company’s internal controls within 90 days prior to the date of audited financial statements, and certify that the Company’s internal controls are effective as of that date
- (f) That there were no significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective action with regard to significant deficiencies and material weaknesses.
- (g) That we have disclosed the following information to the Company’s Auditors and Audit Committee:
  - (i) *there are no significant deficiencies in the design or operation of internal controls which could adversely affect the Company’s ability to record, process, summarise and report financial data, and have identified for the Company’s auditors any material weaknesses in internal controls, and*
  - (ii) *there is no fraud that involves management or other employees who have a significant role in the Company’s internal control*

Signed



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Mr. T. J. David Kliegl (General Manager)  
FRC/2013/NIM/00000004949



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Mr. Bjorn A Bjaaland (Finance Manager)  
FRC/2013/MULTI/00000008950

## **Statement of directors' responsibilities in relation to financial statements**

*for the year ended 31 December 2021*

The directors accept responsibility for the preparation of the annual financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

The directors further accept responsibility for maintaining adequate accounting records as required by the Companies and Allied Matters Act (CAMA), 2020 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.

As indicated in Note 31, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a concern in the foreseeable future. The directors have made an assessment of the Company's ability to continue to trade despite ongoing losses and borrowings exceeding available cash resources. The repayment of the borrowings is governed by the Second Shareholders Agreement, which specifies repayments of the borrowings would only be triggered by the Company achieving specific profitability targets, and provided adequate funding is available. The profitability targets is unlikely to be achieved for the foreseeable future. Hence the shareholders loans will not be due for repayment in line with the shareholders' agreement. Despite the economic indicators, and the material uncertainty which prevails around the current challenging operating environment, the directors have assessed the cash flow projection for the year ahead, and subject to trading conditions normalizing and the Naira not being devalued further against the US Dollar, believe that the Company will have sufficient financial resources to continue to operate for the following twelve month period. The directors will continue to closely monitor the liquidity position of the Company and keep shareholders apprised thereof.

Accordingly, based on the Directors' assessment of the Company's ability to continue as a going concern, the Directors' have no reason to believe the Company will not remain a going concern in the year ahead.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Chief Anthony Idigbe (Chairman)  
*FRC/2014/NBA/00000010414*

17 March 2022



Mr. Abatcha Bulama (Director)  
*FRC/2014/ICAN/00000006535*

17 March 2022

## **Report of the audit committee**

For the year ended 31 December 2021

In compliance with Section 404 (7) of the Companies and Allied Matters Act (CAMA), 2020 we have reviewed the Auditors' Report for the year ended 31 December 2021. We hereby report that:

1. The accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices.
2. The scope and planning of the external audit for the year ended 31 December 2021 were, in our opinion, adequate.
3. The Company maintained effective systems of accounting and internal controls during the year.
4. The external auditors' findings and recommendations on management matters were satisfactorily dealt with by management.
5. With the exception of retail premises occupied by Lady Maiden Ibru which are the subject of administrative action as part of the forensic audit, and rent outstanding on the penthouse which the Company has demanded payment from the Estate of the Late Dr Alex Ibru, the methods adopted in determining the pricing of related party transactions are appropriate and reasonable, and not prejudicial to the interests of the Company and its minority securities holders.

The Independent Auditor confirmed management's full cooperation in the course of the performance of their duties and that they were not limited in any way by the Company and its management.



Mr. Peter A Soares (Chairman)  
FRC/2013/ANAN/00000004356  
Chairman, Audit Committee  
16 March 2022

Members of the Committee:

Representing the shareholders:

Mr. Peter A Soares (Chairman)  
Mr Amusa-Oseni Adekunle  
Mr Salau M. Adebajo

Representing the board of directors:

Mr. D Ramakhatela Mokhobo (South African)  
Mr. Abatcha Bulama



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Victoria Island		
PMB 40014, Falomo		
Lagos		

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of **The Tourist Company of Nigeria Plc**

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of **The Tourist Company of Nigeria Plc** (the Company), which comprise:

- the statement of financial position as at 31 December, 2021;
- the statement of profit or loss and other comprehensive income;
- the statement of changes in equity;
- the statement of cash flows for the year then ended; and
- the notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011.

#### *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 Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 31 of the financial statements, which indicates that the Company is involved in multiple lawsuits with one of its shareholders and the shareholder's related party, of which the outcome cannot be determined as at the date of our audit report. In addition, the majority shareholder, Sun International Limited stated its intention to divest its investments in the Company and also to withdraw its management services of the hotel and casino. The planned divestment has however, been put on hold pending the outcome of the multiple lawsuits. These events or conditions, along with other matters as set forth in Note 31, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Registered in Nigeria No. BN 986925

#### Partners:

Adegoke A. Oyelami	Ayodele H. Othihiwa	Joseph O. Tegbe	Olanike I. James	Tayo I. Ogungbenro
Adekunle A. Elebute	Bolanle S. Afolabi	Kabir O. Okunlola	Olufemi A. Babem	Termitope A. Onitiri
Adetola P. Adeyemi	Chibuzor N. Anyenechi	Lawrence C. Amadi	Olumide O. Olayinka	Tolulope A. Odukale
Adewale K. Ajayi	Chineme B. Nwigbo	Martins I. Arogie	Olusegun A. Sowande	Uzodinma G. Nwankwo
Ajibola O. Olomola	Elijah O. Oladunmoye	Mohammed M. Adama	Olutoyin I. Ogunlowo	Victor U. Onyenkpa
Akinyemi Ashade	Goodluck C. Obi	Nneka C. Eluma	Oluwafemi O. Awotoye	
Ayobami L. Salami	Ibitomi M. Adepoju	Olabimpe S. Afolabi	Oluwatoyin A. Gbagi	
Ayodele A. Soyinka	Ijeoma T. Emezie-Ezigbo	Oladimeji I. Salaudeen	Oseme J. Obalode	



### **Emphasis of matter – Forensic investigation**

We draw attention to Note 30 of the financial statements which indicates that the forensic investigation which was initiated by the Securities and Exchange Commission (SEC) is yet to be concluded. Therefore, the ultimate outcome of the investigation cannot presently be determined, accordingly, no provision for any effects on the Company has been made in the financial statements. Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern section and Emphasis of matter* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Modification of shareholders and related party loan</b>	
Refer to Note 18d on page 47 of the financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>The Board of Directors approved the proposal for a Company Voluntary Arrangement (“CVA”) between Sun International Limited, Ikeja Hotels Plc (shareholders and creditors of the Company) and Omamo Investment Corporation Limited (a creditor of the Company) on 28 July 2021, in respect of the waiver of interest on the shareholders and related party loan from 1 March 2020 until otherwise agreed by the shareholders, in accordance with the CVA procedure prescribed under Chapter 17 of the Companies and Allied Matters Act (CAMA), 2020.</p> <p>The shareholders and related party loan and the amounts involved are material to the financial statements.</p> <p>The nature of this transaction, the novelty of the CVA and the complexity of the legal proceedings required to be followed to comply with the procedures prescribed in CAMA 2020 makes this a key audit matter in our audit of the financial statements for the year ended 31 December 2021.</p>	<p>Our procedures included the followings:</p> <ul style="list-style-type: none"> <li>• We obtained and reviewed the minutes of meetings of the Board of Directors and others charged with governance, to understand the CVA and check that approval was obtained.</li> <li>• We obtained and reviewed the minutes of the separate court-ordered meetings of the shareholders and creditors held on 8 December 2021, to evaluate the meeting proceedings and checked the appropriateness of the resolution authorising the implementation of the CVA.</li> <li>• We questioned management and legal experts engaged to oversee the CVA, to check that the procedures for the CVA are in accordance with the CVA procedure prescribed under Chapter 17 of the Companies and Allied Matters Act (CAMA), 2020.</li> <li>• We engaged our legal specialists to review the CVA process and documentations, to establish the appropriateness of the CVA to modify the terms of the shareholders and related party loan and execute the loan modification proposal.</li> <li>• We reviewed the calculation of the modification of the shareholders and related party loan and checked that the impact on the carrying amount was recognised in line with IFRS 9: Financial Instruments</li> <li>• We checked that the disclosures in the financial statements were adequate and relevant.</li> </ul>



### ***Other Information***

The Directors are responsible for the other information. The other information comprises the Corporate information, Shareholder information, Chairman's report, Director's report, Statement of corporate responsibility for the financial statement, Statement of Director's responsibilities in relation to the financial statements, Report of the Audit committee and Other national disclosures, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 for the Financial Statements***

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council of Nigeria Act, 2011 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.

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Company'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 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 Company'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



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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors/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 Board of Directors/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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Board of Directors/Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period 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 Requirements

*Compliance with the requirements of Schedule 5 of the Companies and Allied Matters Act (CAMA), 2020*

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books.
- The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

  
Signed:

**Oluwatoyin A. Gbagi, FCA**

FRC/2012/ICAN/00000000565

For: KPMG Professional Services

Chartered Accountants

1 April 2022

Lagos, Nigeria



## Statement of financial position

As at 31 December


	Notes	2021 ₦'000	2020 ₦'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	11(a)	30,407,531	31,048,334
Intangible assets	12	1,614	1,963
Tax assets	13	96,595	102,548
<b>Total non-current assets</b>		<b>30,505,740</b>	<b>31,152,845</b>
<b>Current Assets</b>			
Inventories	14	143,135	113,832
Trade and other receivables	15(a)	125,469	106,437
Prepayments	16	82,833	49,910
Cash and cash equivalents	21	836,938	706,541
<b>Total current assets</b>		<b>1,188,375</b>	<b>976,720</b>
<b>Total assets</b>		<b>31,694,115</b>	<b>32,129,565</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17(a)	1,123,220	1,123,220
Share premium	17(b)	4,132,763	4,132,763
Revaluation reserve	17(c)	20,257,610	20,257,610
Accumulated loss		(24,303,120)	(21,971,721)
<b>Total equity</b>		<b>1,210,473</b>	<b>3,541,872</b>
<b>Non-current liabilities</b>			
Loans and borrowings	18(a)	28,749,199	27,142,478
<b>Total non-current liabilities</b>		<b>28,749,199</b>	<b>27,142,478</b>
<b>Current liabilities</b>			
Trade and other payables	20(a)	1,721,375	1,433,352
Loans and borrowing	18(a)	8,385	11,863
Current tax liabilities	9(b)	4,683	-
<b>Total current liabilities</b>		<b>1,734,443</b>	<b>1,445,215</b>
<b>Total liabilities</b>		<b>30,483,642</b>	<b>28,587,693</b>
<b>Total equity and liabilities</b>		<b>31,694,115</b>	<b>32,129,565</b>

Approved by the Board of Directors on 17 March 2022 and signed on its behalf by:

  
\_\_\_\_\_ )

Chief Anthony Idigbe (Chairman)

FRC/2014/NBA/00000010414

  
\_\_\_\_\_ )

Mr. Abatcha Bulama (Director)

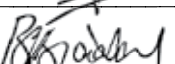
FRC/2014/ICAN/00000006535

Additionally certified by;

  
\_\_\_\_\_ )

Mr. David Kliegl (General Manager)

FRC/2013/NIM/00000004949

  
\_\_\_\_\_ )

Mr. Bjorn Bjaaland (Financial Manager)

FRC/2013/MULTI/00000008950

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



## Statement of profit or loss and other comprehensive income

For the year ended 31 December

	Notes	2021 ₦'000	2020 ₦'000
<b>Revenue</b>			
Gaming		1,567,578	520,740
Hospitality		1,514,060	785,515
		<u>3,081,638</u>	<u>1,306,255</u>
<b>Expenditure</b>			
Amortisation of intangible asset	12	(1,423)	(2,440)
Consumables and services	8(b)	(577,007)	(288,065)
Depreciation of property, plant and equipment	11(a)	(755,455)	(723,878)
Employee costs	6(a)	(1,015,888)	(763,313)
Management and support fees	23(b)	(105,478)	(42,192)
Promotional and marketing costs	8(d)	(27,855)	(19,488)
Property and administrative costs	8(c)	(1,364,832)	(1,039,547)
Impairment loss / reversal on financial assets	26(b)	57,305	(68,048)
		<u>(3,790,633)</u>	<u>(2,946,971)</u>
<b>Operating loss</b>		<b>(708,995)</b>	<b>(1,640,716)</b>
Finance income	7(a)	5,519	16,194
Finance costs	7(b)	(1,615,522)	(6,260,511)
<b>Net finance cost</b>		<b>(1,610,003)</b>	<b>(6,244,317)</b>
<b>Loss before minimum taxation</b>		<b>(2,318,998)</b>	<b>(7,885,033)</b>
Minimum tax	9(d)	(7,718)	(3,418)
<b>Loss before taxation</b>	8	<b>(2,326,716)</b>	<b>(7,888,451)</b>
Taxation	9(a)	(4,683)	-
<b>Loss for the year</b>		<b>(2,331,399)</b>	<b>(7,888,451)</b>
<i>Other comprehensive income/(loss) for the year:</i>			
<b>Items that will not be reclassified to profit or loss</b>			
Revaluation of property, plant and equipment	11(b)	-	234,466
Related tax	9(a)	-	-
<b>Total other comprehensive income/(loss)</b>		<b>-</b>	<b>234,466</b>
<b>Total comprehensive loss for the year</b>		<b>(2,331,399)</b>	<b>(7,653,985)</b>
<b>Loss per share (Kobo)</b>			
Basic and diluted loss per share	10	(104)	(351)

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

## Statement of changes in equity

Attributable to equity holders of the Company

	Share capital	Share premium	Revaluation reserve	Accumulated loss	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Balance at 1 January 2020</b>	1,123,220	4,132,763	20,023,144	(14,083,270)	11,195,857
Loss for the year	-	-	-	(7,888,451)	(7,888,451)
Other comprehensive loss	-	-	234,466	-	234,466
Total comprehensive loss	-	-	<b>234,466</b>	<b>(7,888,451)</b>	<b>(7,653,985)</b>
<b>Balance at 31 December 2020</b>	<b>1,123,220</b>	<b>4,132,763</b>	<b>20,257,610</b>	<b>(21,971,721)</b>	<b>3,541,872</b>
<b>Adjusted balance at 1 January 2021</b>	1,123,220	4,132,763	20,257,610	(21,971,721)	3,541,872
Loss for the year	-	-	-	(2,331,399)	(2,331,399)
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss)	-	-	-	<b>(2,331,399)</b>	<b>(2,331,399)</b>
<b>Balance at 31 December 2021</b>	<b>1,123,220</b>	<b>4,132,763</b>	<b>20,257,610</b>	<b>(24,303,120)</b>	<b>1,210,473</b>

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

## Statement of cash flows

For the year ended 31 December

	Notes	2021 ₦'000	2020 ₦'000
<b>Cash flows from operating activities:</b>			
Loss for the year		(2,331,399)	(7,888,451)
Adjustments for:			
Depreciation	11(e)	755,455	723,878
Amortisation	12	1,423	2,440
Operating equipment usage	11(e)	12,490	8,111
Net finance cost	7(c)	1,610,003	6,244,317
Tax expense	9(a)	4,683	-
Impairment loss / (reversal) on financial assets	26(b)	(57,305)	68,048
Write off of property, plant and equipment	11(e)	13,741	24,918
Discount on lease (lease concession)	18(b)	(3,144)	(943)
Minimum taxation	9(b)	7,830	3,418
		<b>13,777</b>	<b>(814,264)</b>
Changes in:			
Inventories		(29,303)	(3,205)
Trade and other receivables	15(b)	38,273	83,978
Tax assets	13(a)	(1,877)	(6,781)
Prepayments		(32,923)	46,749
Trade and other payables	20	370,762	161,170
<b>Cash generated from operating activities</b>		<b>358,709</b>	<b>(532,353)</b>
Value Added Tax (VAT) paid		(103,741)	(37,369)
<b>Net cash used in operating activities</b>		<b>254,968</b>	<b>(569,722)</b>
<b>Cash flow from investing activities</b>			
Disposal/(purchase) of short term deposits		-	858,200
Interest income	7(a)	5,519	16,194
Acquisition of property, plant and equipment	11(f)	(140,883)	(148,485)
Acquisition of intangible assets	12	(1,074)	(74)
<b>Net cash used in investing activities</b>		<b>(136,438)</b>	<b>725,835</b>
<b>Cashflows from financing activities</b>			
Payment on lease liability	18(b)	(8,719)	(3,948)
		<b>(8,719)</b>	<b>(3,948)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>109,811</b>	<b>152,165</b>
<b>Cash and cash equivalents, beginning of year</b>		<b>706,541</b>	<b>498,029</b>
<b>Effect of movements in exchange rate on cash held</b>		<b>20,586</b>	<b>56,347</b>
<b>Cash and cash equivalents, end of year</b>		<b>836,938</b>	<b>706,541</b>

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

## Notes to the financial statements

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## **Notes to the financial statements**

*For the year ended 31 December 2021*

### **1. Reporting entity**

The Tourist Company of Nigeria Plc is a company listed on the Nigerian Stock Exchange. The address of the Company's registered office is 6-8 Ahmadu Bello Way, Victoria Island, Lagos. The Company converted from a private company to its current form on 20 April 1994. The Company operates a gaming and hospitality business in Victoria Island, Lagos.

### **2. Basis of accounting**

#### **(a) Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies and Allied Matters Act (CAMA), 2020 and the Financial Reporting Council Act, 2011. The financial statements were authorised for issue by the board of directors on 17 March 2022.

#### **(b) Basis of measurement**

The financial statements have been prepared under the historical cost convention except for financial assets and liabilities initially measured at fair value and subsequently at amortised cost and leasehold land and building measured at revalued amount less accumulated depreciation.

#### **(c) Critical accounting estimates and judgements**

The preparation of the financial statements in conformity with IFRS Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

- Note 11 - 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.

- Note 19 - Deferred tax

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

- Note 27 - Contingencies (including taxation)

Management made certain key assumptions about the likelihood and magnitude of outflow of economic resources.

- Note 31 - Going concern

Management has made estimates on future economic and business realities as it relates to forecasts and budgets used in the assessment of the Company's ability to continue as a going concern and the appropriateness of the going concern assumption in the preparation of the financial statements for the year ended 31 December 2021.

#### **(d) Functional and presentation currency**

The financial statements are presented in Nigerian Naira, which is the Company's functional currency. All financial information presented in Naira has been rounded to the nearest thousand except where otherwise indicated.

### 3. Significant accounting policies

Set out below is an index of the significant accounting policies, the details of which are available on the pages that follow.

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a) Foreign currency transactions	27	l) Employee benefits	32
b) Property, plant and equipment	27	m) Provisions	32
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#### (a) Foreign currency transactions

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Foreign exchange gains or losses arising on translation are recognised in profit or loss and are presented within net finance costs/income.

#### (b) Property, plant and equipment

##### *I. Recognition and measurement*

Items of property, plant and equipment are stated at cost/revalued amount less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Property, plant and equipment not yet available for use are disclosed as capital-work-in-progress.

Purchased software that is integral to the functionality of related equipment is capitalised as part of the equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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

##### *II. Depreciation*

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values over their useful lives, using the straight-line method. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the assets are depreciated over the useful life. The principal useful lives over which the assets are depreciated are as follows:

##### Buildings and infrastructure

- Casino and hotel premises	–	36 - 40 years
- Infrastructure	–	10 - 40 years

##### Plant and machinery

- Pumps, pipes, tanks and compressors	–	10 years
- Generating set equipment	–	2 years
- Generators	–	10 years

Hotel and office equipment	–	10 years
Motor vehicles	–	9 years
Furniture and fittings	–	10 years
Casino equipment	–	10 years

The Company does not depreciate its leasehold land

Assets held under lease in line with IFRS 16 are depreciated over the term of the relevant lease.

Depreciation (usage) of operating equipment (which includes casino chips, kitchen utensils, crockery, cutlery and linen) is recognised as an expense. The period of usage depends on the nature of the operating equipment and varies between one and three years.

The assets' residual values and useful lives are reviewed annually, and adjusted if appropriate, at reporting date.

Capital work-in-progress is not depreciated. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

### *III Subsequent costs*

Costs arising subsequent to the acquisition of an asset 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.

The carrying amount of the replaced part is then de-recognised. All other repairs and maintenance costs are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

### *IV Borrowing costs*

Borrowing costs and certain direct costs relating to major capital projects are capitalised during the period of development or construction.

### *V Derecognition*

The carrying amount of an item or PPE shall be derecognised on disposal or when no future economic benefit is expected from its use or disposal.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the statement of profit or loss and other comprehensive income.

## **(c) Intangible assets**

### *Recognition, measurement and amortisation*

Expenditure on computer software is capitalised and amortised using the straight line method over 4 years. Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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

### *Subsequent costs*

Costs arising subsequent to the acquisition of an asset 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.

The carrying amount of the replaced part is then de-recognised. All other repairs and maintenance costs are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

### *Derecognition*

The carrying amount of an item is derecognised on disposal or when no future economic benefit are expected from its use or disposal.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss in the statement of profit or loss and other comprehensive income.

## **(d) Inventories**

Inventories comprises of merchandise held for sale and consumables, and are measured at the lower of cost and net realisable value on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less any costs necessary to make the sale. The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

**(e) Cash and cash equivalents**

Cash and cash equivalents are classified as financial assets measured at amortised cost. Cash and cash equivalents comprise cash on hand and deposits held on call with banks with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purposes of cash flow statement.

**(f) Financial instruments**

Financial instruments carried at reporting date include trade receivables, cash and cash equivalents, borrowings, and trade payables.

Financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, financial instruments are measured as described below.

*I Recognition and derecognition*

All financial assets and liabilities are initially recognised at fair value, which is usually the transaction price including, where appropriate, transaction costs, with the exception of trade receivables without a significant financing component, which are measured at their transaction price, determined in accordance with the Company's accounting policies for revenue. Subsequently, measurement depends on the financial assets/liabilities classification as follows:

– *Financial assets measured at fair value through profit or loss (FVPL)*

Non-equity financial assets are classified at fair value through profit or loss if they arise from contracts which do not give rise to cash flows which are solely principal and interest, or otherwise where they are held in a business model which mainly realises them through sale. Such assets are re-measured to fair value at the end of each reporting period. Gains and losses arising from re-measurement are taken to profit or loss, as are transaction costs.

– *Financial assets measured at FVOCI*

Non-equity financial assets are classified at fair value through other comprehensive income where they arise from contracts which give rise to cash flows which are solely principal and interest and which are held in a business model which realises some through sale and some by holding them to maturity. They are recognised initially at fair value plus any directly attributable transaction costs, or in the case of trade receivables, at the transaction price.

At the end of each reporting period they are re-measured to fair value, with the cumulative gain or loss compared to their amortised cost being recognised in other comprehensive income and in the fair value reserve, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gain and losses. When these assets are derecognised, the cumulative gain or loss is reclassified from equity to profit or loss.

– *Financial assets measured at amortised cost*

Financial assets are held at amortised cost when they arise from contracts which give rise to contractual cash flows which are solely principal and interest and are held in a business model which mainly holds the assets to collect contractual cash flows.

These assets are measured at amortised cost using the effective interest method and are also subject to impairment losses. Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated on the amortised cost (i.e., gross carrying amount less loss allowance). Interest income is included in finance income.

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

– *Financial liabilities*

All financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

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. Short term trade and other payables with no stated rates of interest are measured at original invoice amounts where the effect of discounting is not significant.

*II Offsetting*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company 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.



**(g) Impairment**

*I Financial assets (Non-derivative financial assets)*

The Company recognises loss allowance for expected credit loss (ECLs) on financial assets measured at amortised cost. Loss allowance is measured at an amount equal to lifetime ECL's, with the exception of the following which are measured at 12 month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs using a simplified impairment methodology adjusted for current conditions and forward looking information.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over when the Company is exposed to credit risk.

*Credit impaired financial assets*

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of amounts due on terms that the Company would not consider otherwise;

*Write-off*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For its customers, the Company individually makes an assessment with respect to the timing and amount write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

*II Non-financial assets*

Intangible assets that have an indefinite useful life are not subject to depreciation or amortisation and are tested annually for impairment. Other assets with finite useful life that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate.

Impairment losses are recognised in profit or loss. 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.

The Company has presented impairment of financial assets as a separate line item in the statement of profit or loss and OCI in accordance with the requirements of IAS 1 as a consequence of applying IFRS 9.

**(h) Capital and other reserves**

*Share capital and share premium*

The Company has only one class of shares, ordinary shares. Ordinary shares are classified as equity. When new shares are issued, they are recorded in share capital at their par value. The excess of the issue price over the par value is recorded as share premium. All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

*Retained earnings*

Retained earnings represents the Company's accumulated earnings since its inception, less any distributions to shareholders, and net of any prior period adjustments. A negative amount of retained earnings is reported as deficit or accumulated deficit.

*Revaluation reserves*

The revaluation reserve relates to the revaluation surplus arising from the revaluation of the leasehold land and building included in the Company's property, plant and equipment. It is the policy of the Company to transfer the revaluation surplus arising from the revaluation of land and building to retained earnings upon disposal of the related assets.

**(i) Income tax**

Income tax for the year comprises current and deferred tax. Taxation is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

*Current Tax*

Current tax is the expected tax payable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is subject to the following types of current income tax:

Company Income Tax - This relates to tax on revenue and profit generated by the Company during the year, to be taxed under the Companies Income Tax Act Cap C21, Laws of the Federation of Nigeria 2004 as amended, to date.

Tertiary Education Tax - Tertiary education tax is based on the assessable income of the Company and is governed by the Tertiary Education Trust Fund (Establishment) Act Laws of the Federation of Nigeria 2011.

*Deferred Tax*

Deferred tax is provided in full, using the liability method and using tax rates enacted or substantively enacted at the reporting date, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets relating to the carry forward of unused tax losses, tax credits and deductible temporary differences are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets the tax assets arising from withholding tax (WHT) credits and current tax liabilities if, and only if, the entity has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. The tax asset is reviewed at each reporting date and written down to the extent that it is no longer probable that future economic benefit would be realised.

**(j) Minimum Tax**

The Company is subject to the Finance Act, 2021 which amends the Company Income Tax Act (CITA). Total amount of tax payable under the Finance Act is determined based on the higher of two components; Company Income Tax (based on taxable income (or loss) for the year); and Minimum Tax (determined based on 0.25% of qualifying Company's turnover less franked investment income). Taxes based on taxable profit for the period are treated as income tax in line with IAS 12; whereas Minimum Tax which is based on a gross amount is outside the scope of IAS 12 and therefore, are not presented as part of income tax expense in the profit or loss. The liability is recognised under trade and other payables in the statement of financial position.

Where the Minimum Tax charge is higher than the Company Income Tax (CIT), a hybrid tax situation exists. In this situation, the CIT is recognised in the income tax expense line in the profit or loss and the excess amount is presented above the income tax line as Minimum Tax.

**(k) Leased assets**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

**i. As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

**Short term leases and leases of low -value asset**

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**(I) Employee benefits**

*Short-term employee benefits*

Short-term employee benefit obligations are measured on an un-discounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid 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.

*Defined contribution plans*

The Company operates a contributory scheme in line with the Pension Reform Act, 2014. The Company and the employees respectively contribute 10% and 8% of the employees' current salaries and designated allowances into a separate entity.

The Company's contributions are charged to profit or loss in the period to which the contributions relate. The Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee services in the current and prior periods.

**(m) Provisions**

Provisions are recognised when the Company 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 a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

**(n) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company, or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are only disclosed and not recognised as liabilities in the statement of financial position. If the likelihood of an outflow of resources is remote, the possible obligation is neither a provision nor a contingent liability and no disclosure is made.

**(o) Statement of cash flows**

The statement of cash flows is prepared using the indirect method. Changes in statement of financial position items that have not resulted in cash flows such as translation differences, fair value changes and other non-cash items, have been eliminated for the purpose of preparing the statement. Interest paid is also included in financing activities while finance income is included in investing activities.

**(p) Revenue**

Revenue is recognised at the transaction price, when control of a good or service is transferred to a customer in the ordinary course of the Company's activities.

Revenue includes net gaming win, hotel, entertainment and restaurant revenues, other service fees, rental income and the invoiced value of goods and services sold less returns and allowances. Taxes levied on casino winnings are included in revenue and treated as overhead expenses, as these are borne by the Company and not by its customers.

Value added tax (VAT) on all other revenue transactions is considered to be a tax collected by the Company as an agent on behalf of the revenue authorities and is excluded from revenue. Customer loyalty points are provided against revenue when points are earned.

**(q) Finance income and finance costs**

Interest income and interest expense on all interest bearing financial instruments are recognised using the effective interest method. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipt through the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. Net finance costs include interest expense on borrowings as well as interest income on bank balances. Net finance costs also include other finance income and expense items, such as exchange differences arising on borrowings and the settlement of foreign currency creditors. Foreign currency gains and losses are reported on a net basis.

**(r) Loss per share**

The Company presents basic and diluted loss per share (LPS) data for its ordinary shares. Basic LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted LPS is determined by adjusting the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**(s) Segment reporting**

Segment results that are reported to the Company's Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, shared services and tax assets and liabilities.

**(t) Related parties**

Related parties includes the ultimate holding company and other major shareholders, directors, their close family members and any employee who is able to exert a significant influence on operating policies or the Company, are also considered to be related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the entity directly or indirectly.

**(u) Accounting policy developments**

Accounting policy developments include new standards issued, amendments to standards and interpretations issued on current standards.

**(i) Standards issued but not yet effective**

A number of new standards and amendments to standards are effective for annual periods beginning on or after 1 January 2021 and early application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

These include the following standards and interpretations that are applicable to the business of the Company but are not expected to have a significant impact on the Company's financial statements.

**A Onerous contracts: Cost of Fulfilling a Contract (Amendments to IAS 37) - Effective 1 January 2022**

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated.

**B. Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) - Effective 1 January 2023**

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

**C. Amendments to IAS 16; Property, Plant and Equipment: Proceeds before intended use-Effective 1 January 2022**

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before its intended use by management. As such, proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs. Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement. The amendments also clarify that testing whether an item of PPE is functioning properly means assessing its technical and physical performance rather than assessing its financial performance – e.g. assessing whether the PPE has achieved a certain level of operating margin. The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

**D. Amendments to IAS 1; Classifications of liabilities as current and non-current-Effective 1 January 2023**

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period. There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement. The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments also clarify how a company classifies a liability that includes a counterparty conversion option, which could either be recognised as either equity or liability separately from the liability component under IAS 32 Financial Instruments: Presentation. The standard is effective for annual periods beginning on or after 1 January 2023.

## **E Amendments to IAS 1 and IFRS Practice Statement 2; Disclosure of accounting policies- Effective 1 January 2023**

The amendments were issued to assist companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;

The amendments are consistent with the refined definition of material: "Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements". The amendments are effective from 1 January 2023.

## **F. Amendments to IAS 8; Definition of accounting estimates - Effective 1 January 2023.**

This amendment provides clarifications to companies on how to distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The amendment introduces a new definition for accounting estimates: clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarifies the following:

- an entity develops an accounting estimate to achieve the objective set out by an accounting policy.
- developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) and choosing the inputs to be used when applying the chosen measurement technique.
- a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the Company applies the amendments.

## **G. Annual improvements 2018- 2020; Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41 - Effective 1 January 2022.**

- IFRS 1 First Time Adoption of International Financial Reporting Standards - The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- IFRS 9 Financial Instruments - The amendment clarifies that for the purpose of performing the "10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
- IFRS 16 Leases – The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

### **(v) Changes in significant accounting policies**

The Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The Company has adopted the above new amendments to IFRS Standards and Interpretations but these standards do not have a material effect on the Company's financial statements.

## **4 Determination of fair values**

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

### **(a) Trade and other receivables**

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes. For short term receivables, no disclosure of fair value is presented when the carrying amount is a reasonable approximation of fair value.

(b) Borrowings

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(c) Property, plant and equipment

The fair value of leasehold land and building which are determined based on the observable market price for similar property in the same location with consideration for cost required to ensure the sale at the date of the revaluation. The leasehold land and building are revalued every three (3) years or as driven by changes in economic variables that influence property prices.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

*\*Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities.

*\*Level 2:* input other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e as prices) or indirectly (i.e as derived from prices).

*\*Level 3:* Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 26 - Financial risk management and fair values.

## 5 Revenue

Revenue includes net gaming win, hotel, entertainment and restaurant revenues, other service fees, rental income and the invoiced value of goods and services sold less returns and allowances.

## 6 Employee costs

(a) Employee costs for the year comprises:

	<b>2021</b>	<b>2020</b>
	₦'000	₦'000
Salaries, wages, bonuses and other benefits	761,103	589,143
Defined contribution pension fund costs	40,681	41,246
Other personnel costs	214,104	132,924
	<b><u>1,015,888</u></b>	<b><u>763,313</u></b>

(b) Employees of the Company, whose duties were wholly or mainly discharged in Nigeria, received remuneration (excluding pension costs and certain benefits) in the following ranges:

	<b>2021</b>	<b>2020</b>
₦ - ₦	Number	Number
0 - 200,000	0	2
200,001 - 400,000	1	3
400,001 - 600,000	41	35
600,001 - 800,000	119	142
800,001 - 1,000,000	12	11
1,000,001 - 2,000,000	99	99
2,000,001 - Above	27	37
	<b><u>299</u></b>	<b><u>329</u></b>

The number of full-time persons employed per function as at year end was as follows:

	<b>2021</b>	<b>2020</b>
	Number	Number
Gaming	60	64
Hospitality	165	187
Administration and support services	74	78
	<b><u>299</u></b>	<b><u>329</u></b>

(c) Pension payable

The balance of the pension payable account represents the amount due to the Pension Fund Administrator which is yet to be remitted at the year end. The movement on this account during the year was as follows:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Balance at beginning of the year	1,222	5,719
Charge for the year	36,591	58,779
Payments during the year	<u>(37,299)</u>	<u>(63,276)</u>
Balance at end of the year	<u><b>514</b></u>	<u><b>1,222</b></u>

The Company's majority shareholder, Sun International Limited, operates a defined contribution provident fund. Currently, the provident fund is available to the Company's expatriate employees, whilst the Company's Nigerian employees belong to Nigerian employee nominated defined contribution funds. Contributions are made by both the Company and its employees to these funds.

(d) Directors' remuneration

Remuneration, excluding certain benefits of directors of the Company, who discharged their duties mainly in Nigeria, is as follows:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Executive director	79,584	71,803
Non-executive directors	<u>1,515</u>	<u>1,785</u>
	<u><b>81,099</b></u>	<u><b>73,588</b></u>

The directors' remuneration shown above includes:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Chairman's fees	220	250
Highest paid director	<u>79,584</u>	<u>71,803</u>

Other directors received emoluments in the following ranges;

		<b>2021</b>	<b>2020</b>
₦	₦	<u>Number</u>	<u>Number</u>
0	-	100,000	2
100,001	-	Above	7
		<u>8</u>	<u>9</u>

**7. Finance income and costs**

(a) Finance income comprises:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Interest income on bank balances	<u>(5,519)</u>	<u>(16,194)</u>
	<u><b>(5,519)</b></u>	<u><b>(16,194)</b></u>



(b) Finance costs comprise:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Interest expense on loan	-	201,671
Interest expense on lease	3,304	4,339
Loss on foreign currency loan balance	1,611,802	6,330,240
(Gain)/Loss on other foreign currency transactions	416	(275,739)
	<u><b>1,615,522</b></u>	<u><b>6,260,511</b></u>

(c) Net finance costs:

Finance income	(5,519)	(16,194)
Finance costs	1,615,522	6,260,511
	<u><b>1,610,003</b></u>	<u><b>6,244,317</b></u>

## 8. Loss before taxation

(a) Loss before taxation is stated after charging the following:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Depreciation of property, plant and equipment (Note 11(a))	755,455	723,878
Amortisation of intangible assets (Note 12)	1,423	2,440
Lease rentals**	3,528	1,463
Audit fees	15,910	16,125
Non-Audit fees*	-	1,333
Audit expenses	150	57
Write off of property, plant and equipment	13,741	24,918
Minimum tax	7,718	3,418
Education tax	4,683	-
Employee costs (Note 5(a))	1,015,888	763,313
Loss on foreign currency loan balance	1,611,802	6,330,240
(Gain)/loss on other foreign currency transactions	416	(275,739)
Management and support fees (Notes 23(b))	<u>105,478</u>	<u>42,192</u>

\* No non-audit service was provided by KPMG Professional Services during the year (2020: N1.3 million).

\*\* Lease rental recognised during the year include the variable component of the lease on printer that the Company has elected to expense and the lease rentals on table game which is short term of less than 12 months. The Company has elected not to recognise the right of use on the table rentals.

(b) Consumables and services comprise the following:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Cost of sales - food & beverage	173,887	84,457
Cost of sales - other	11,765	11,618
Amortisation of casino licence fees	60,331	50,856
Other operating expenditure	49,485	38,519
Card commission	15,915	9,159
Printing and stationery	5,567	4,191
Gaming - taxes	172,795	40,869
Entertainment	18,136	13,699
Repairs and maintenance	20,579	9,988
General expenses	37,305	20,044
Other casino related expenses	11,242	4,665
	<u><b>577,007</b></u>	<u><b>288,065</b></u>

(c) Property and administrative costs comprise the following:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Power, fuel and other utilities	695,611	471,642
Card commission	12,532	6,182
Repairs and maintenance	177,572	135,377
Information technology and related expenses	99,490	103,673
Outsourced contracts	57,440	77,925
Professional fees	88,533	54,196
Audit fees	15,910	16,125
Lease rentals	3,528	1,463
Write off of property, plant and equipment	13,741	24,918
Insurance	90,442	83,154
Licenses and permits	41,539	33,225
Stationery	6,782	6,496
Other general expenses	61,712	25,171
	<b><u>1,364,832</u></b>	<b><u>1,039,547</u></b>

(d) Promotional and marketing costs comprise the following:

	2021	2020
	<u>₦'000</u>	<u>₦'000</u>
Gaming promotion and marketing	12,237	905
Resort marketing, promotion and advertisement	9,313	14,001
Complimentary services	4,671	2,312
Other promotional expenses	1,634	2,270
	<b><u>27,855</u></b>	<b><u>19,488</u></b>

## 9. Taxation

(a) The tax charge for the year comprises:

(i) Amounts recognised in profit or loss

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
<b>Current tax expense</b>		
Income tax	-	-
Tertiary education tax expense	4,683	-
<b>Charge for the year</b>	<b>4,683</b>	<b>-</b>
Deferred tax credit	-	-
<b>Total income tax credit recognised in P/L</b>	<b><u>4,683</u></b>	<b><u>-</u></b>

<b>(b) Movement in current tax liability</b>	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Balance at 1 January	-	-
Charge for the year (Note 9(a))	4,683	-
Minimum tax (Note 9(d))	7,830	3,418
Set off of current tax asset (Note 13)	(7,830)	(3,418)
Cash payment during the year	-	-
Balance at 31 December	<u>4,683</u>	<u>-</u>

**(c) Reconciliation of effective tax rate**

	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
		<u>₦'000</u>		<u>₦'000</u>
Loss from continuing operations		(2,331,399)		(7,888,451)
Minimum tax		7,718		3,418
Loss before minimum tax		(2,323,681)		(7,885,033)
Taxation		4,683		-
Loss before tax		<u>(2,318,998)</u>		<u>(7,885,033)</u>
Income tax using the company's tax rate	30%	(695,699)	30%	(2,365,510)
<i>Adjusted for:</i>				
Tertiary education tax	2.5%	(57,975)	2%	(157,701)
Non deductible expenses	-3%	68,629	-1%	57,764
Tax losses for which no deferred tax asset is recognised	-30%	689,728	-31%	2,465,447
	<u>0%</u>	<u>4,683</u>	<u>0%</u>	<u>-</u>

**(d) Minimum Tax**

Minimum tax in current year has been computed based on 0.25% of turnover in line with the Finance Act, 2021 and this amounts to ₦7.7 million. Minimum tax in prior year was computed based on the Finance Act, 2020 and this amounted to ₦3.4million (Note 8(b)).

**10. Loss per share**

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

The Company did not have any instruments with a dilutive effect during the year, thus, basic and diluted loss per share are equal.

**Number of shares for loss per share calculation**

	<b>2021</b>	<b>2020</b>
	<u></u>	<u></u>
Weighted number of shares	2,246,437,472	2,246,437,472
	Kobo	Kobo
Basic and diluted loss per share	<u>(104)</u>	<u>(351)</u>

**11. Property, plant and equipment (PPE)**

(a) The movement on these accounts was as follows:

	Leasehold Land		Buildings		Infrastructure		Plant & Machinery		Casino Equipment		Hotel & Office Equipment		Motor Vehicles		Furniture & Fittings		Operating Equipment		Capital Work in Progress		Total			
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	
<b>Deemed cost</b>																								
Balance at 1 January 2020	15,120,000	15,810,012	441,909	763,102	715,992	811,989	59,414	538,986	207,287	104,374	34,573,065													
Additions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	10,305	3,195	158,325	42,235	26,400	579	608	7,101	141,384	148,485													
Operating equipment usage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Write-Offs	-	(3,092)	-	(181,460)	(271,449)	(9,004)	(362)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Elimination/write off on revaluation	-	(4,418)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation (deficit)/surplus	(422,000)	660,884	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 Dec 2020</b>	<b>14,698,000</b>	<b>16,473,691</b>	<b>445,104</b>	<b>739,967</b>	<b>486,778</b>	<b>829,385</b>	<b>59,631</b>	<b>539,594</b>	<b>206,277</b>	<b>4,111</b>	<b>34,482,538</b>													
Balance at 1 January 2021	14,698,000	16,473,691	445,104	739,967	486,778	829,385	59,631	539,594	206,277	4,111	34,482,538													
Additions	-	-	-	47,494	-	20,959	-	-	10,068	62,362	140,883													
Transfers	-	-	258	3,660	-	194	-	-	-	-	-													
Operating equipment usage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Disposals/Write-Offs	-	(10,003)	(698)	(5,817)	(9,209)	(31,454)	-	-	(12,490)	-	(57,183)													
Elimination/write off on revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Revaluation (deficit)/surplus	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 Dec 2021</b>	<b>14,698,000</b>	<b>16,463,688</b>	<b>444,664</b>	<b>785,304</b>	<b>477,569</b>	<b>819,084</b>	<b>59,631</b>	<b>539,594</b>	<b>203,855</b>	<b>62,361</b>	<b>34,553,751</b>													
Depreciation																								
Balance at 1 January 2020	-	665,502	131,075	517,810	637,203	615,474	55,253	528,458	-	-	3,150,775													
Depreciation for the year	-	556,421	16,328	74,217	21,369	50,722	1,554	3,267	-	-	723,878													
Disposals/Write Offs	-	(656)	-	(159,524)	(271,449)	(8,478)	(342)	-	-	-	(440,449)													
Write-offs	-	-	-	-	-	-	-	-	-	-	-													
<b>Balance at 31 Dec 2020</b>	<b>-</b>	<b>1,221,267</b>	<b>147,403</b>	<b>432,503</b>	<b>387,123</b>	<b>657,718</b>	<b>56,465</b>	<b>531,725</b>	<b>-</b>	<b>-</b>	<b>3,434,204</b>													
Balance at 1 January 2021	-	1,221,267	147,403	432,503	387,123	657,718	56,465	531,725	-	-	3,434,204													
Depreciation for the year	-	583,877	15,815	82,308	22,054	47,254	1,457	2,691	-	-	755,456													
Write-offs	-	(7,329)	(44)	(2,519)	(3,105)	(30,443)	-	-	-	-	(43,440)													
<b>Balance at 31 Dec 2021</b>	<b>-</b>	<b>1,797,815</b>	<b>163,174</b>	<b>512,292</b>	<b>406,072</b>	<b>674,529</b>	<b>57,922</b>	<b>534,416</b>	<b>-</b>	<b>-</b>	<b>4,146,219</b>													
<b>Carrying amounts</b>																								
At 1 January 2020	15,120,000	15,144,510	310,834	245,292	78,789	196,515	4,161	10,528	207,287	104,374	31,422,290													
At 31 December 2020	14,698,000	15,252,424	297,701	307,464	99,655	171,667	3,166	7,869	206,277	4,111	31,048,334													
At 31 December 2021	14,698,000	14,665,873	281,490	273,012	71,497	144,555	1,709	5,178	203,854	62,361	30,407,531													

(b) Revaluation of Property, plant and equipment

“In prior year, the Company carried out a revaluation of its leasehold land and building asset category of property, plant and equipment. The Company engaged an independent valuer Jide Taiwo & Co.(FRC/2012/000000000254) for this purpose. As at the date of the valuation 31 December 2020, the net book value of the land and building amounted to ₦29.7 billion and the revalued amount amounted to ₦30 billion. Consequently, a revaluation surplus of ₦239 million and a related tax of ₦156 million was recognised in the prior year. This was recognised in other comprehensive income for prior year and is not available for distribution to the shareholders of the Company. Had the Company not revalued its properties, the carrying amount of the leasehold land and building would have been ₦15.1 billion and ₦14.6 billion respectively at the end of 2021. During the year, a portion of the building was scrapped. This resulted in a charge to the income statement of ₦10 million (2020: ₦3.1 million) and other comprehensive income of Nil (2020: ₦4.1 million).

(c) There was no property, plant and equipment that was pledged as security for borrowings as at year end (31 December 2020: Nil).

(d) Information on capital expenditure commitment is presented in Note 22 of the financial statements.

(e) **Summary of PPE movement schedule**

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Balance at the beginning of the year	31,048,334	31,422,290
Depreciation	(755,455)	(723,878)
Additions (Note 11(a))	140,883	148,485
Write-offs/Disposal	(13,741)	(24,918)
Operating equipment usage	(12,490)	(8,111)
Changes in revaluation surplus (Note 11(b))	-	234,466
Balance at the end of the year	<u>30,407,531</u>	<u>31,048,334</u>

(f) **PPE additions in statement of cash flows**

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Additions (Note 10(a))	140,883	148,485
PPE additions in statement of cash flows	<u>140,883</u>	<u>148,485</u>

(g) **Capital work in progress**

Additions to capital work in progress during the year is analysed as follows:

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Buildings	21,775	6,931
Infrastructure	258	573
Plant and machinery	15,868	63,319
Casino equipment	-	37,669
Motor vehicles	-	542
Furniture and fittings	-	608
Hotel and office equipment	24,460	31,742
Property, plant and equipment	62,361	141,384
Intangible assets (Note 11)	1,074	74
	<u>63,435</u>	<u>141,458</u>

## 12. Intangible assets

Intangible assets represent the purchase costs and installation of software licences. The movement in the intangible asset account during the year was as follows:

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
<b>Cost</b>		
Balance at the beginning of the year	22,666	22,592
Additions	1,074	74
Balance at the end of the year	<u>23,740</u>	<u>22,666</u>
<b>Amortisation</b>		
Balance at the beginning of the year	20,703	18,263
Amortisation	1,423	2,440
Balance at the end of the year	<u>22,126</u>	<u>20,703</u>
<b>Carrying amounts</b>		
Balance at the beginning of the year	1,963	4,329
Balance at the end of the year	<u>1,614</u>	<u>1,963</u>

## 13. Tax assets

Tax assets comprises withholding tax credit notes available for utilisation against income tax payable.

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Balance at the beginning of the year	102,548	99,185
Additions	1,877	6,781
Set off of tax liability (Note 9(b))	(7,830)	(3,418)
Balance at the end of the year	<u>96,595</u>	<u>102,548</u>
Current portion	-	10,733
Non-current portion	102,548	88,452
	<u>102,548</u>	<u>99,185</u>

(a) Tax assets in statement of cash flows	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Tax assets movement	5,953)	(3,363)
Set off of tax liability (Note 9(b))	(7,830)	(3,418)
	<u>(1,877)</u>	<u>(6,781)</u>

## 14. Inventories

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Consumables	143,135	113,832
	<u>143,135</u>	<u>113,832</u>

The value of food and beverage consumables included in consumables and services as cost of sale amounted to ₦174 million (2020: ₦84 million).

## 15. Trade and other receivables

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
(a) <b>Financial instruments</b>		
Trade receivables	188,668	209,461
Less: impairment (Note 26(b))	(99,195)	(175,878)
Net trade receivables	<u>89,473</u>	<u>33,583</u>
Credit card receivables	4,705	8,417
<b>Non-financial instruments</b>		
Advance payment to suppliers	9,691	7,869
Other receivables	<u>21,600</u>	<u>56,568</u>
	<b><u>125,469</u></b>	<b><u>106,437</u></b>

Included in the carrying amount of trade receivables are amounts due from related parties (Note 24(b)(iii)).

The carrying values of trade and other receivables approximate their fair value as at the reporting date.

The Company's exposure to credit and market risks, and impairment losses relate to trade and other receivables are disclosed in Note 26.

(b) Trade and other receivables in statement of cash flows	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Trade and other receivables movement	(19,032)	152,026
Impairment (loss)/ reversal on financial assets (Note 26(b))	<u>57,305</u>	<u>(68,048)</u>
	<b><u>38,273</u></b>	<b><u>83,978</u></b>

## 16. Prepayments

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Licenses prepayments	58,983	12,146
General prepayments - subscription and maintenance fees	17,421	34,043
Service contracts prepayments	<u>6,429</u>	<u>3,721</u>
	<b><u>82,833</u></b>	<b><u>49,910</u></b>

## 17. Share capital and premium

### (a) Share Capital

#### (i) Authorised ordinary shares of 50K each

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Balance at the beginning of the year	<u>2,000,000</u>	<u>2,000,000</u>
Balance at the end of the year	<b><u>2,000,000</u></b>	<b><u>2,000,000</u></b>

There are 4,000,000,000 ordinary shares of 50 Kobo each at 31 December 2021 (2020: 4,000,000,000) of 50 kobo each.

All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Issued and fully paid ordinary shares of 50K each

	<b>2021</b>	<b>2020</b>
	<b>₦'000</b>	<b>₦'000</b>
Balance at the beginning of the year	1,123,220	1,123,220
Balance at the end of the year	<b>1,123,220</b>	<b>1,123,220</b>

There are 2,246,437,472 ordinary shares of 50 Kobo each at 31 December 2021 (2020: 2,246,437,472).

All issued shares are fully paid.

Holders of these shares are entitled to dividends from time to time and are entitled to one vote per share at the general meetings of the Company.

(b) Share Premium

The share premium on the 2,246,437,472 ordinary shares of 50 Kobo each is as follows:

	<b>2021</b>	<b>2020</b>
	<b>₦'000</b>	<b>₦'000</b>
	4,132,763	4,132,763
	<b>4,132,763</b>	<b>4,132,763</b>

(c) Revaluation reserve

The revaluation reserve relates to the revaluation surplus arising from the revaluation of the leasehold land and building included in the Company's property, plant and equipment, which is as follows:

	<b>2021</b>	<b>2020</b>
	<b>₦'000</b>	<b>₦'000</b>
Revaluation reserve	20,257,610	20,257,610
	<b>20,257,610</b>	<b>20,257,610</b>

**18. Loans and borrowings**

(a) Shareholder and related party loan (Note 18(d))

Lease liabilities (Note 18(b))

	<b>2021</b>	<b>2020</b>
	<b>₦'000</b>	<b>₦'000</b>
Shareholder and related party loan	28,746,066	27,134,264
Lease liabilities (Note 18(b))	11,518	20,077
	<b>28,757,584</b>	<b>27,154,341</b>

**Split into:**

**Non-current liabilities**

Shareholder and related party loan

Lease liabilities

Shareholder and related party loan	28,746,066	27,134,264
Lease liabilities	3,133	8,214
	<b>28,749,199</b>	<b>27,142,478</b>

Current liability

Lease liabilities

Lease liabilities	8,385	11,863
	<b>8,385</b>	<b>11,863</b>



- (b) Lease liabilities relates to the present value of the future fixed lease payments on the Company's leased printers. The movement in the lease liabilities in the year was as follows:

	<u>2021</u>	<u>2020</u>
	N'000	N'000
Balance at the beginning of the year	20,077	20,629
Lease liability recognised	-	-
Interest on lease liability (Note 7(b))	3,304	4,339
Payment in the year	(8,719)	(3,948)
Discount on lease (lease concession)	(3,144)	(943)
Balance at the end of the year	<u>11,518</u>	<u>20,077</u>

- (c) Shareholder and related party loans

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>
	US\$'000	N'000	US\$'000	N'000
<b>Non-current, unsecured</b>				
<b>Shareholders:</b>				
<b><i>Ikeja Hotel Plc</i></b>				
At beginning of the year	22,188	8,882,309	22,021	6,749,443
Interest capitalised	-	-	182	66,019
Exchange difference	-	527,618	-	2,072,411
Related tax on interest	-	-	(15)	(5,564)
At end of the year	<u>22,188</u>	<u>9,409,927</u>	<u>22,188</u>	<u>8,882,309</u>
<b><i>Sun International Limited</i></b>				
At beginning of the year	23,817	9,534,390	23,634	7,243,711
Interest capitalised	-	-	195	70,853
Exchange difference	-	566,352	-	2,224,305
Related tax on interest	-	-	(12)	(4,479)
At end of the year	<u>23,817</u>	<u>10,100,742</u>	<u>23,817</u>	<u>9,534,390</u>
<b>Total shareholders</b>	<u>46,005</u>	<u>19,510,669</u>	<u>46,005</u>	<u>18,416,699</u>
<b>Other:</b>				
<b><i>Omamo Investment Corporation</i></b>				
At beginning of the year	21,776	8,717,565	21,614	6,624,704
Interest capitalised	-	-	178	64,798
Exchange difference	-	517,832	-	2,033,524
Related tax on interest	-	-	(16)	(5,461)
At end of year	<u>21,776</u>	<u>9,235,397</u>	<u>21,776</u>	<u>8,717,565</u>
	<u>67,781</u>	<u>28,746,066</u>	<u>67,781</u>	<u>27,134,264</u>

**Terms of the above loans:**

- They are unsecured.
- Repayment is subject to the board of director's discretion, taking into account the availability of funds and the Company's working capital requirements provided specific profitability and EBITDA targets have been met.
- The loans are denominated in US Dollars.
- Interest is capitalised at 5% per annum. However, the interest was waived from 1 March 2020 until otherwise agreed by the shareholders (Note (d)).

**(d) Modification of shareholder and related party loans**

The board of directors approved the proposal for a Company Voluntary Arrangement ("CVA") between Sun International Limited, Ikeja Hotels Plc (shareholders and creditors of the Company) and Omamo Investment Corporation Limited (a creditor of the Company) on 28 July 2021, in respect of the waiver of interest which would have accrued on the shareholders and related party loans from 1 March 2020 until otherwise agreed to by the shareholders and/or creditors. The CVA procedure is prescribed under Chapter 17 of the Companies and Allied Matters Act (CAMA), 2020.

In accordance with the CVA procedures, the proposal was considered at separate court-ordered meetings of the shareholders and creditors on 8 December 2021. The shareholders and creditors present at the meetings voted unanimously in favour of the resolution authorizing the implementation of the CVA process. Therefore, in terms of section 438(2)(a) of the CAMA 2020, the CVA has taken effect on the terms of the proposal and the shareholder and related party loans are modified accordingly.

Consequently, the Company has not recognised interest expense on shareholders and related party loans for the period of 1 March 2020 to 31 December 2021.

In terms of its articles of association, the directors, on behalf of the Company are empowered to borrow or obtain loans in the ordinary course of business and in the overall best interest of the Company subject to the approval of shareholders for a foreign loan.

The loan from Omamo Investment Corporation is currently the subject to a legal dispute (Note 29).

**(e) Summary of movement in Shareholder and related party loan**

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
Balance at the beginning of the year	27,134,264	20,617,858
Interest expense	-	201,670
Related tax on interest	-	(15,504)
Effect of changes in exchange rate	1,611,802	6,330,240
Balance at the end of the year	<b><u>28,746,066</u></b>	<b><u>27,134,264</u></b>

**19 Deferred tax**

*Unrecognised deferred tax assets*

The Company has a net deferred tax asset amounting to ₦3.1 billion as at 31 December 2021 (2020: ₦2.5 billion), arising mainly from unutilised tax losses of ₦3.7 billion (2020: ₦5.4 billion) and unutilized deductible temporary differences of ₦4.4 billion (2020: ₦7.9 billion) that may be available for offset against future taxable income. The Company did not recognise the deferred tax asset due to uncertainties relating to the amount and timing of future taxable income.

**20. Trade and other payables**

	<b>2021</b>	<b>2020</b>
	<u>₦'000</u>	<u>₦'000</u>
(a) Trade and other payables		
<i>Financial instruments</i>		
Trade payables	85,360	76,679
Other payables	81,740	81,422
Amount due to related parties (Note 24(b)(i)&(ii))	74,071	27,616
Accrued expenses	228,776	217,762
Casino loyalty programme liability	27,157	18,909
	<u>497,104</u>	<u>422,388</u>
<i>Non-financial instruments</i>		
Employee related accruals	146,759	95,574
Pension payable (Note 5(c))	514	1,222
Deposits received	20,344	26,573
Other payables *	1,056,654	887,595
	<b><u>1,721,375</u></b>	<b><u>1,433,352</u></b>

\* Other payables comprise non income tax liabilities such as withholding tax, consumption tax and VAT as well as provisions for open tax audits.

(b) Trade and other payables in statement of cash flows	<u>2021</u>	<u>2020</u>
	<u>₦'000</u>	<u>₦'000</u>
Trade and other payables movement	288,023	(80,087)
Value Added Tax (VAT) paid	103,741	37,369
Unrealised exchange differences (Note 6(b))	(416)	275,739
Related taxes on shareholder loans	-	(15,504)
Effect of movements in exchange rate on cash held	(20,586)	(56,347)
Trade and other payables in statement of cash flows	<u><b>370,762</b></u>	<u><b>161,170</b></u>

## 21. Cash and cash equivalents

Cash and cash equivalents consist of:	<u>2021</u>	<u>2020</u>
	<u>₦'000</u>	<u>₦'000</u>
Cash at bank	787,962	680,730
Cash on hand	48,976	25,811
Cash and cash equivalents in the statement of cash flows	<u><b>836,938</b></u>	<u><b>706,541</b></u>

The Company's exposure to credit risk and market risk related to cash and cash equivalents are disclosed in Note 26.

## 22. Capital expenditure commitments

	<u>2021</u>	<u>2020</u>
	<u>₦'000</u>	<u>₦'000</u>
<b>Capital commitments</b>		
Contracted	6,417	236
Authorised by the board of directors but not contracted	2,312,236	1,927,063
	<u><b>2,318,653</b></u>	<u><b>1,927,299</b></u>
To be spent in the forthcoming financial year	279,255	221,791
To be spent thereafter	2,039,398	1,705,508
	<u><b>2,318,653</b></u>	<u><b>1,927,299</b></u>

Future capital expenditure will be funded by both internally generated cash flows and short term financing from the Company's bankers.

## 23. Management and support fees

### (a) Operating services agreement

The Company has an agreement with Sun International (South Africa) Limited (a subsidiary of Sun International Limited) until 30 September 2022 to manage the Company's business. The agreement was approved by the National Office for Technology Acquisition and Promotion (NOTAP) on 17 December 2018 with certificate number CR006767. In terms of this agreement, the Company was obligated to pay the following annual fees to Sun International (South Africa) Limited:

#### **Structure of management fees**

##### *(i) Basic fee*

A basic fee equal to 3% per annum of the net sales of the Company. This is exclusive of any taxes and is denominated and payable in Naira.

##### *(ii) Incentive fee*

An incentive fee of 8% per annum of the gross operating profit of the Company. This fee is exclusive of any taxes and is denominated and payable in Naira.

The management fees include Value Added Tax.

The Company previously had an agreement with Sun International Management Limited (a subsidiary of Sun International Limited) until 30 September 2017 to manage the Company's business. The agreement with certificate number CR004719 was approved by the NOTAP on 19 May 2009 and expired on 30 September 2017. The terms of the agreement were a basic fee equal to 3% per annum of the gross revenue of the Company and an incentive fee of 10% per annum of the adjusted net profit of the Company. Both fees are exclusive of any taxes and are denominated and payable in Naira.

### (b) Management and support fees

(based on the structure above)

	<b>2021</b>	<b>2020</b>
	₦'000	₦'000
<i>Sun International (South Africa) Limited</i>		
Basic fees	99,383	41,963
Incentive fees	6,095	229
	<b>105,478</b>	<b>42,192</b>

## 24. Related parties

### (a) Parent and Ultimate holding company

The Company is a subsidiary of Sun International Limited incorporated in South Africa. Sun International Limited held 49.3% of the issued and fully paid share capital of the Company as at 31 December 2021 (2020: 49.3%).

### (b) Related party transactions

The transaction values and balances with related parties below exclude borrowings, the values of which are disclosed in Note 18(b).

	Value of goods and services supplied (to)/ from the company		Amount due (to)/from the company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
(i) Accounts payable				
<i>Sun International Management Limited</i>	(172,106)	(99,457)	(64,100)	(19,879)
Is a subsidiary of Sun International Limited, which is a shareholder in the Company. It has an operating service agreement with the Company.				
(ii) Other related party transactions include:				
<i>AVI Services Limited</i>	(89,378)	(44,836)	-	-
Mr. Ufuoma Ibru is director at the company. AVI Services Ltd provides staff transport service to the Company. He also operates a car hire business at the hotel.				
<i>GM Ibru &amp; Co</i>	(9,180)	(7,707)	(1,873)	(2,873)
Is a firm of attorneys controlled by Goodie M. Ibru, OON, the former Chairman of the Company. It provides legal services to the Company and rents offices from the Company. Mr Ufuoma Ibru, a director of the Company, is also a partner with GM Ibru & Co.				
<i>Punuka Nominees Limited</i>				
Is controlled by a director and the Chairman of the Company. It provides company secretarial services to the Company..	(16,013)	(4,788)	(8,022)	(4,788)
<i>Guardian Press Limited</i>	-	(81)	(26)	(26)
The Guardian Press Limited is controlled by Lady Maiden Ibru. The Company purchases newspapers from The Guardian Press Limited. Dr. Alexander A Thomopoulos is a director of the Company and also a director at Guardian Press Limited.				

*Guy Saries Limited* - - (50) (50)

This Company is controlled by Goodie M. Ibru, the former Chairman of the Company. It provides media agency to facilitate regulatory announcements on behalf of the Company.

(286,677) (156,867) (74,071) (27,616)

(iii) Accounts receivable

*Ikeja Hotel Plc \** - - 4,247 4,247

*Estate of Late Dr Alex Ibru* - - - -

A former director and indirect shareholder in the Company. The estate rents the hotel penthouse premises from the Company. The Company has demanded payment of rental owing by the Estate.

*Lady Maiden Ibru* - - - -

Lady Ibru is the wife of the late Dr Alex Ibru, a former director with an indirect shareholding in the Company. Lady Ibru occupies retail premises from the Company. The matter of rent outstanding on the retail premises is subject to administrative action as part of the forensic audit.

- - 4,247 4,247

\* The receivable from Ikeja Hotels from hospitality has been recorded as trade receivables.

(c) *Transactions with key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise) of that Company. Refer to Note 5(d) for amounts paid to directors of the Company during the year.

*Key management personnel compensation*

Key management personnel compensation comprised:

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Short-term employee benefits	194,081	165,909
Post-employment benefit	17,464	18,471
	<u>211,545</u>	<u>184,380</u>

**25. Segment information**

The Company has two reportable segments, as described below.

**Gaming:**

This includes the provision of tables and slots gaming facilities.

**Hospitality:**

This consists of the sale of hotel room accommodation, sale of food and beverages in the Company's restaurants and bars, as well as venue hire, pool club subscriptions and entrance fees, parking and laundry charges, and other miscellaneous revenue.

Unallocated Costs represents support services to the above segments, and includes finance and administration, human resources, information technology, security and other property related services.

Information regarding the results of each reportable segment is provided below. Performance is measured based on segment profit before tax, as included in the Company's internal management reports that are reviewed by the Company's General Manager.

	<b>Gaming</b>		<b>Hospitality</b>		<b>Unallocated</b>		<b>Total</b>	
	2021	2020	2021	2020	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Revenue</b>								
Total revenue for reportable segments	1,567,578	520,740	1,631,932	835,850	-	-	3,199,510	1,356,590
Elimination of inter-segment revenue *	-	-	(117,872)	(50,335)	-	-	(117,872)	(50,335)
Reportable segment revenue	<b>1,567,578</b>	<b>520,740</b>	<b>1,514,060</b>	<b>785,515</b>	-	-	<b>3,081,638</b>	<b>1,306,255</b>
<b>Profit/(Loss) before minimum tax</b>								
Reportable segment revenue	1,567,578	520,740	1,514,060	785,515	-	-	3,081,638	1,306,255
Expenses	(612,852)	(332,852)	(608,285)	(420,936)	(1,930,490)	(1,517,200)	(3,151,627)	(2,270,988)
Elimination of inter-segment expenses	117,872	50,335	-	-	-	-	117,872	50,335
Depreciation and amortisation	-	-	-	-	(756,878)	(726,318)	(756,878)	(726,318)
Net finance costs	-	-	-	-	(1,610,003)	(6,244,317)	(1,610,003)	(6,244,317)
Profit/(loss) before minimum tax	<b>1,072,598</b>	<b>238,223</b>	<b>905,775</b>	<b>364,579</b>	<b>(4,297,371)</b>	<b>(8,487,835)</b>	<b>(2,318,998)</b>	<b>(7,885,033)</b>
<b>Reportable segment assets</b>								
			<b>31,694,115</b>	<b>32,129,565</b>			<b>31,694,115</b>	<b>32,129,565</b>
<b>Reportable segment liabilities</b>			<b>30,483,642</b>	<b>28,587,693</b>			<b>30,483,642</b>	<b>28,587,693</b>
<b>Major customer</b>								

Revenue from one customer does not represent up to or exceed 10% of the Company's total revenue. Therefore, information on major customers is not presented.

\* Inter-segment revenue represents complimentary room sales and food and beverage revenue which is included in hospitality revenues.

## 26. Financial risk management and fair values

The Company has exposure to the following risks from its use of financial instruments:

- Liquidity risk
- Credit risk
- Market risk
- Capital management risk

### Risk management framework

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the Finance & Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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 Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes the reviews of risk management controls and procedures, the results of which are reported to both senior management and the Audit Committee.

### (a) Liquidity risk

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

The following are the maturity analysis of contractual undiscounted financial liabilities (including principal and interest payments):

	Carrying Amount	Contractual cashflows	On demand or not exceeding 6 months	More than 6 months but not exceeding 1 year	More than 1 year but not exceeding 2 years	More than 2 years but not exceeding 5 years	More than 5 years
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<b>31 December 2021</b>							
<i>Financial liabilities</i>							
Borrowings	28,746,066	28,746,066	-	-	-	-	28,746,066
Trade payables	85,360	85,360	85,360	-	-	-	-
Other payables	81,740	81,740	81,740	-	-	-	-
Amounts due to related parties	74,071	74,071	74,071	-	-	-	-
Accrued expenses	228,776	228,776	228,776	-	-	-	-
Casino loyalty programme	27,157	27,157	27,157	-	-	-	-
	<b>29,243,170</b>	<b>29,243,170</b>	<b>497,104</b>	-	-	-	<b>28,746,066</b>
<b>31 December 2020</b>							
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
<i>Financial liabilities</i>							
Borrowings	27,134,264	27,134,264	-	-	-	-	27,134,264
Trade payables	76,679	76,679	76,679	-	-	-	-
Other payables	81,422	81,422	81,422	-	-	-	-
Amounts due to related parties	27,616	27,616	27,616	-	-	-	-
Accrued expenses	217,762	217,762	217,762	-	-	-	-
Casino loyalty programme	18,909	18,909	18,909	-	-	-	-
	<b>27,556,652</b>	<b>27,556,652</b>	<b>422,388</b>	-	-	-	<b>27,134,264</b>



**(b) Credit risk**

Credit risk arises from trade and other receivables (excluding prepayments and VAT), and cash and cash equivalents. The granting of credit is controlled by specific application and account limits. Cash deposits are only placed with high quality financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of each financial assets determined to be exposed to credit risk.

Exposure to credit risk

The maximum exposure to credit risk at the reporting date was:

	<b>Carrying amount</b>	
	31 December 2021	31 December 2020
	<u>₦'000</u>	<u>₦'000</u>
Trade receivables (Note 14)	89,473	33,584
Credit card receivables (Note 14)	4,705	8,417
Cash and cash equivalents (Note 21)	<u>787,962</u>	<u>680,730</u>
	<b><u>882,140</u></b>	<b><u>722,731</u></b>

***Trade receivables***

The Company has no significant concentrations of credit risk with respect to trade receivables, due to a widely dispersed customer base. The Company's most significant customer accounts for ₦26 million of the trade receivables carrying amount at 31 December 2021 (2020: ₦71 million).

***Expected credit loss assessment for trade receivables.***

The Company allocates each exposure to a credit risk grade based on data that is determined to be predictive of the risk of loss and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default. An expected credit loss (ECL) rate is calculated for each segment based on delinquency status and actual credit loss experience over the past years, taking into consideration current conditions and the Company's view of economic conditions over the expected lives of the receivables.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2021:

	<b>Weighted average loss rate</b>	<b>Credit impaired</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
			<u>2021</u> <u>N '000</u>	<u>2021</u> <u>N '000</u>
Current	1%	No	74,980	(1,050)
31 – 60 days	15%	No	18,226	(2,683)
61 – 90 days	100%	Yes	110	(110)
91 – 120 days	100%	Yes	469	(469)
More than 120 days	100%	Yes	<u>94,883</u>	<u>(94,883)</u>
			<b><u>188,668</u></b>	<b><u>(99,195)</u></b>

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2020:

	<b>Weighted average loss rate</b>	<b>Credit impaired</b>	<b>Gross carrying amount</b>	<b>Loss allowance</b>
			<u>2020</u> <u>₦ '000</u>	<u>2020</u> <u>₦ '000</u>
Current	53%	No	25,709	(13,552)
31 – 60 days	64%	No	44,721	(28,599)
61 – 90 days	69%	No	2,482	(1,702)
91 – 120 days	77%	Yes	794	(613)
More than 120 days	97%	Yes	<u>135,755</u>	<u>(131,412)</u>
			<b><u>209,461</u></b>	<b><u>(175,878)</u></b>

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	<b>2021</b>	<b>2020</b>
	₦'000	₦'000
Balance at beginning of the year	175,878	134,000
Write off of previously impaired receivables	(19,378)	(26,170)
Impairment (loss)/reversal recognised	(57,305)	68,048
Balance at end of the year	<b>99,195</b>	<b>175,878</b>

The Company believes that the impaired amounts are still collectible in full based on historical payment behaviour.

#### ***Credit card receivable***

The Company had credit card receivables of ₦4.7 million (2020: ₦8.4million) as at 31 December 2021, which represents its maximum credit exposure on these assets.

#### ***Cash and bank balances***

The Company held cash and cash equivalents of ₦782 million (2020: ₦681 million) as at 31 December 2021, which represents its maximum credit exposure on these assets. The cash and cash equivalents are held by reputable financial institutions in Nigeria with a history of strong financial performance.

#### **(c) *Market risk***

Market risk is the risk that changes in market prices, such as foreign exchange rate and interest rates will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

##### ***I. Foreign currency risk***

Included in the statements of financial position are the following amounts denominated in currencies other than the functional currency of the Company (Naira). The currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to the changes in foreign exchange rates.

The Company monitors the movement in currency rates on a going concern basis to mitigate the risk that the movements in the exchange rates may adversely affect the Company's income or value of their holdings of financial instruments.

##### ***Exposure to currency risk***

The summary quantitative data about the Company's exposure to currency risk as reported to the Management of the Company based on its risk management policy was as follows:

	<b>31 December 2021</b>			
	<b>USD</b>	<b>GBP</b>	<b>EUR</b>	<b>ZAR</b>
	'000	'000	'000	'000
Cash and cash equivalents	62	16	8	3
Trade and other receivables	22	-	-	-
Trade payables, accruals and loans	(67,781)	-	-	(2,413)
<b>Net statement of financial position exposure</b>	<b>(67,697)</b>	<b>16</b>	<b>8</b>	<b>(2,410)</b>

	31 December 2020			
	USD	GBP	EUR	ZAR
	'000	'000	'000	'000
Cash and cash equivalents	860	16	11	22
Trade and other receivables	22	-	-	-
Trade payables, accruals and loans	(67,781)	-	-	(65)
<b>Net statement of financial position exposure</b>	<b>(66,899)</b>	<b>16</b>	<b>11</b>	<b>(43)</b>

The following significant exchange rates applied during the year:

	2021		2020	
	Spot	Average	Spot	Average
US Dollar (\$) 1	424.11	409.50	400.33	378.17
Euro (€) 1	480.09	481.81	491.44	429.53
Pound Sterling (£) 1	571.40	553.55	546.45	485.91
South African Rand (R) 1	26.57	27.00	27.26	23.61

*Foreign currency sensitivity*

A 10% weakening in the Naira against the above foreign currency assets and liabilities at 31 December 2021 would decrease equity and increase the loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis as at 31 December 2020:

	2021	2020
	₦'000	₦'000
Decrease in equity	2,876,192	2,560,278
Increase in loss before tax	2,876,192	2,560,278

A 10% strengthening in the Naira against the above foreign currency assets and liabilities at 31 December 2020 would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

*II. Interest rate risk*

The Company does not have financial instruments with variable interest rates.

*III. Other price risk*

The Company's exposure to other price risks is limited as the Company does not have any investments which are subject to changes in equity prices.

**(d) Capital management risk**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or buy back existing shares.

The board of directors monitors the level of capital, which the Company defines as total share capital and share premium.

There were no changes to the Company's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

### Gearing

The gearing ratios were as follows:

	<u>2021</u>	<u>2020</u>
	₦'000	₦'000
Total borrowings (Note 18)	28,746,066	27,134,264
Less cash and cash equivalents (Note 21)	(836,938)	(706,541)
Net debt	27,909,128	26,427,723
Total equity	1,210,473	3,541,872
Total capital	<b>29,119,601</b>	<b>29,969,595</b>
Net debt to equity ratio	2306%	746%

### (e) Fair values

#### (i) Accounting classification and fair values

Trade and other receivables, cash and cash equivalents, loans and borrowings, trade and other payables are the Company's financial instruments.

#### (ii) Measurement of fair values: Valuation techniques and significant unobservable inputs

The fair value of the Company's financial assets and liabilities are categorised as Level 3 at 31 December 2021 with the exception of its revalued property, plant and equipment, which are categorised as Level 2. This is because the future cashflows of the financial instruments are based on contractual amounts as there are no recent observable arm's length transactions in the market while the revalued property, plant and equipment are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

The fair values of financial assets and liabilities are not significantly different from the carrying amounts shown in the statement of financial position due to the immaterial impact of discounting. The fair values were determined on the same basis in prior year and there have been no transfers between levels during the financial reporting period.

### 27. Contingencies

The Company is subject to various pending litigations and claims arising in the normal course of business as well as arising from open tax reviews. The contingent liabilities in respect of these pending litigation and claims amounted to ₦2.2 billion as at 31 December 2021 (2020: ₦2.2 billion). In addition, the Company is currently undergoing tax regulatory reviews by the Federal Inland Revenue Service (FIRS) with respect to the financial statements of the financial years 2009 to 2013. As at the date of this report, the amount of the obligation with respect to the regulatory review has not been disclosed because the amount cannot be measured with sufficient reliability. In the opinion of the directors, no material loss is expected to arise from these claims and audits. Therefore, no provision for any loss arising has been made in the financial statements.

### 28. Events after reporting date

There were no other events after the reporting date that could have had a material effect on the financial statements of the Company that have not been provided for or disclosed in these financial statements.

### 29. Shareholder dispute litigation

The Company has been involved in on-going shareholder and related party disputes as follows:

- (a) On 23 September 2011, Omamo Investment Corporation ("Omamo"), instituted a winding up petition against the Company, on grounds that it believed that the Company was insolvent and that the Company had refused to repay its loan when Omamo demanded repayment. This petition was dismissed by the Federal High Court. As at 31 December 2021, the total loan balance payable to Omamo was ₦9.2 billion (31 December 2020: ₦8.7 billion). Based on the formal agreements duly executed by all the loan creditors (refer note 18), the loans are repayable at the discretion of the board of directors, taking into account availability of funds and working capital requirements of the Company provided specific EBITDA targets have been met. Accordingly, none of the loans were due for repayment as at 31 December 2021.

- (b) On 21 May 2012, Omamo Investment Corporation served a notice of demand on the Company, seeking repayment of its loan. In response thereto on 8 June 2012, the Company applied to the Federal High Court seeking an enforcement order of the terms of its agreement with Omamo as well as a shareholder in the Company and related party to Omamo namely Oma Investments Limited (“Oma”). With respect to the latter action, the court delivered judgement on 3 October 2013, in which it declined to grant the Company’s application for an enforcement order. The Company’s Solicitors are currently engaged in the appeal against this decision. The Appeal Court granted an amended notice to appeal, and the appeal was adjourned to 20 November 2017, 16 April 2018, 25 March 2019 and subsequently adjourned further to 3 November 2020 for hearing of pending applications. The case was not heard on 3 November 2020 and a new date for the hearing is yet to be communicated as at the time of this report.
- (c) On 30 October 2012, Omamo and Oma filed a subsequent action against the Company, challenging (inter alia) further aspects of the agreements to which they are signatories. On 12 November 2013, the matter came up for hearing at the trial court where a motion for an injunction restraining Oma from making a further demand for repayment was declined. The Company’s solicitors have proceeded to file a similar motion with the Court of Appeal. Until the motion of appeal is heard, Oma is effectively restrained from taking further action. As at the date of this financial statement, the court had not yet decided on this action.
- (d) On 30 October 2012, in a separate suit, Oma Investment Ltd petitioned the Federal High Court challenging the legality of the hotel management agreement currently in place for the management of The Tourist Company of Nigeria Plc (TCN). TCN has raised a preliminary objection. On 30 January 2014, the Court dismissed the preliminary objection. Subsequently, TCN’s solicitors have filed a motion for stay of proceedings transmitted to the Court of Appeal. On 3 July 2014 the Federal High Court adjourned the matter sine die (indefinitely) until the matter before the Court of Appeal has been determined. The Court of Appeal adjourned the matter to 22 September 2016. At the next adjourned date, 16 February 2017, the matter was adjourned to 2 July 2019 for hearing of the Appeal. The court did not sit on the scheduled date and a new appeal date is yet to be determined. The Economic and Financial Crimes Commission (EFCC) commenced its investigation into the case six years ago. In the current year, no report has been issued as at the date of the finalisation of these financial statements.

The Directors expect the above matters to be settled without a material loss to the Company.

### **30. Forensic investigation**

In a bid to settle the ongoing shareholders’ dispute, settlement agreement was reached among the Nigerian shareholders. As part of the settlement agreement, the Securities and Exchange Commission (SEC) engaged the firm of Deloitte and Touche to perform a forensic investigation on the Company with a specific focus on the Sun International acquisition of TCN shares as well as “Ikeja Hotel Group” investment in TCN. Deloitte & Touche has completed the forensic investigation and the report has since been submitted to the SEC, which is currently reviewing the report. The Board is awaiting the final report findings from the SEC.

At the time of issue of these financial statements, the date when the findings of the SEC will be made known is uncertain.

### **31. Going concern**

The Company incurred a loss before taxation for the year ended 31 December 2021 amounting to ₦2.3 billion (2020: ₦7.9 billion) and as of that date, the Company’s current liabilities exceeded its current asset by ₦546 million (2020: ₦468 million). The Company also has an accumulated loss of ₦24 billion (2020: ₦22 billion).

Although, the Company’s performance in 2021 reflected a recovery from the economic impact of the COVID 19 pandemic and reported a net asset position of ₦1.2 billion as at 31 December 2021 (2020: ₦3.5 billion), the general business environment for the hospitality and tourism industry is yet to fully recover and remains susceptible to further disruptions which continue to impact the financial performance of the Company.

As indicated in Note 29, the Company is involved in multiple lawsuits with one of its shareholders, Oma Investment Ltd and its related party, Omamo Investment Corporation. The uncertainty inherent in the outcome of these lawsuits could have a significant impact on the future operations and management of the Company including its ability to settle its obligations in the normal course of business.

In addition, the majority shareholder of the Company, Sun International Limited (SIL) has expressed its intention to ultimately divest from the Company and exit Nigeria. Although, the full implications of the planned divestment by Sun International Limited on the business are yet to be fully determined, it may impact on the sustained operations of the business. Meanwhile, the Company continues to trade as normal as at year end.

The uncertain outcome of the pending litigation, the intention of the majority shareholder to divest and the continued economic impact of the general business environment on the financial performance of the Company which has affected the Company's cash reserves indicates the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern in the foreseeable future.

The directors have assessed the Company's ability to continue to trade despite the accumulated loss position, and borrowings exceeding available cash resources. The repayment of the borrowings is governed by the Second Shareholders Agreement, which specifies repayments of the borrowings would only be triggered by the Company achieving specific profitability targets, and provided adequate funding is available. The profitability targets are unlikely to be achieved for the foreseeable future, hence the shareholders loan will not be due for repayment in line with the shareholders' agreement. Despite the economic indicators and the material uncertainty which prevails around the current challenging operating environment, the directors have assessed the cash flow projections for the year ahead and believe that the Company will have sufficient financial resources to continue to operate for the following twelve- month period.

In addition, the Company's operating management agreement with Sun International (South Africa) Limited (SISA), a subsidiary of Sun International Limited is valid for a period effective from 1 October 2017 to 30 September 2022. The Directors expect that SISA will continue to fulfill its obligations as contained in the operating management agreement during the validity period. TCN and SISA have also commenced arrangements to execute a renewal of the agreement before the end of the validity period.

Based on the foregoing, the Directors have a reasonable expectation that the Company will continue to trade into the year ahead and therefore these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

## **OTHER NATIONAL DISCLOSURES**

## Other national disclosures

### Value added statement

For the year ended

	2021		2020	
	<u>₦'000</u>	%	<u>₦'000</u>	%
Revenue	3,081,638		1,306,255	
Bought-in materials and services:				
Amount paid to suppliers	(1,912,389)		(1,415,148)	
Management and support fees	(105,478)		(42,192)	
	<u>(2,017,867)</u>		<u>(1,457,340)</u>	
Finance income	5,519		16,194	
<b>Value (eroded) / added</b>	<u><u>1,069,290</u></u>	<u><u>100</u></u>	<u><u>(134,891)</u></u>	<u><u>100</u></u>
<b>Distribution of Value Added:</b>				
<b>To Government:</b>				
Taxation	4,683	-	-	-
Minimum tax	7,718	1	3,418	(3)
<b>To Employees:</b>				
Salaries, wages and fringe benefits	1,015,888	95	763,313	(566)
<b>To Providers of Finance:</b>				
Finance costs	1,615,522	151	6,260,511	(4,641)
<b>Retained in the Business:</b>				
For replacement of property, plant and equipment	755,455	71	723,878	(537)
For replacement of intangible assets	1,423	-	2,440	(2)
To deplete reserves	(2,331,399)	(218)	(7,888,451)	5,849
<b>Valued added</b>	<u><u>1,069,290</u></u>	<u><u>100</u></u>	<u><u>(134,891)</u></u>	<u><u>100</u></u>

*Value added represents the additional wealth which the Company has been able to create by its own employees' efforts. This statement shows the allocation of that wealth between government, employees, providers of capital and that retained in the business.*



## Other national disclosures

### Financial summary

#### Statement of financial position

	31 December 2021	31 December 2020	31 December 2019	31 December 2018 Restated	30 June 2017
	₦'000	₦'000	₦'000	₦'000	₦'000
<b>Assets</b>					
Non-current assets	30,505,740	31,135,343	31,515,071	32,073,414	8,136,547
Current assets	1,188,375	994,222	1,832,712	2,017,425	1,771,332
<b>Total Assets</b>	<b>31,694,115</b>	<b>32,129,565</b>	<b>33,347,783</b>	<b>34,090,839</b>	<b>9,907,879</b>
<b>Equity and liabilities</b>					
Capital and reserves	1,210,473	3,541,872	11,195,857	12,405,956	(10,203,796)
Non-current liabilities	28,749,199	27,142,478	20,630,109	19,986,664	18,767,128
Current liabilities	1,734,443	1,445,215	1,521,817	1,698,219	1,344,547
<b>Total equity and liabilities</b>	<b>31,694,115</b>	<b>32,129,565</b>	<b>33,347,783</b>	<b>34,090,839</b>	<b>9,907,879</b>

#### Statement of comprehensive income

	31 December 2021	31 December 2020	31 December 2019	31 December 2018	18 months to 30 June 2017
Revenue	3,081,638	1,306,255	3,666,082	3,606,606	4,906,975
Loss before taxation	(2,326,716)	(7,888,451)	(1,493,056)	(1,379,384)	(3,218,232)
Taxation	(4,683)	-	283,523	4,006,807	-
<b>(Loss)/profit after tax</b>	<b>(2,331,399)</b>	<b>(7,888,451)</b>	<b>(1,209,533)</b>	<b>2,627,423)</b>	<b>(3,218,232)</b>

#### Per share data

(Loss)/earnings per ordinary share (Kobo)	(104)	(351)	(54)	117	(61)
Net assets per ordinary share (Kobo)	54	158	498	552	(454)

## **NOTES**

## **NOTES**

# Proxy Form

The 57<sup>th</sup> Annual General Meeting to be held at the Federal Palace Hotel & Casino, 6-8 Ahmadu Bello Way, Victoria Island, Lagos on 29<sup>th</sup> July 2022 at 11:00am-

I/We .....

Being a shareholder of Tourist Company of Nigeria Plc, hereby appoint:

(Kindly tick one of the following):

- Mrs Ganiat A Siyonbola
- Mrs Bakare Adebisi Oluwayemisi
- Prince Anthony Omojola
- Mr Ufuoma Ibru
- Dr Alexander Thomopulos
- Mr David Kliegl
- Sir Olatunde Okelana

Or failing him/her, the Chairman of the meeting as my/our proxy at the Annual General Meeting to be held on 29<sup>th</sup> July 2022, at 11:00am and any adjournment therefore

Dated this.....day of.....2022

NUMBER OF SHARES		
RESOLUTION	FOR	AGAINST
<b>ORDINARY BUSINESS</b>		
To lay before members for approval, the audited Financial Statements for the year ended 31st December 2021, and to receive the report of the Directors, Audit Committee and Auditors thereon;		
To retire and re-elect the Directors:- <ul style="list-style-type: none"> <li>Chief Anthony Idigbe, SAN</li> <li>Mr Andrew Johnston</li> <li>Dr Alexander Thomopulos (over 70 years of age)</li> </ul>		
To authorize the Directors to fix the remuneration of the External Auditors		
To appoint BDO Professional Services as the Company's external auditors		
To elect Members of the Statutory Audit Committee.		
To note the remuneration of Managers		
<b>SPECIAL BUSINESS</b>		
To remove KPMG Professional Services as external auditors of the company		
To approve the appointment of the internal auditors of the Company		
To approve the remuneration of the Directors		
To approve and grand a general mandate to the Board of Directors to engage in transactions with related parties as subsequently would be required for the proper running and day operations of the Company.		
Please mark the appropriate box with an 'x' to indicate how you wish your votes to be cast on the resolutions set above. Unless otherwise instructed, the proxy will vote or abstain from voting at his / her discretion.		

Signature of Shareholder

Name of Shareholder



Before posting this form, please tear off this part and retain it for admission into the meeting  
The form may also be sent via email to [proxy@gtlregistrars.com](mailto:proxy@gtlregistrars.com)

## ADMISSION CARD

Please admit.....to the 57<sup>th</sup> Annual General Meeting of Tourist Company of Nigeria Plc, which will take place at the Federal Palace Hotel & Casino, 6-8 Ahmadu Bello Way, Victoria Island, Lagos Friday, the 29<sup>th</sup> of July 2022 at 11:00 am

Name of Shareholder (in BLOCK LETTERS)

(Surname)

(First name)

(Address)

(Signature of person attending)



# E-DIVIDEND MANDATE ACTIVATION FORM

Date

DD	MM	YY

### Instructions

Please complete **all sections** of this form to make it eligible for processing and return to the address below:

**The Registrar**  
**Greenwich Registrars & Data Solutions Limited**  
**274 Murtala Muhammed Way, Yaba, Lagos**

### Bank Mandate Information

I\We hereby request that henceforth, all the Dividend Payment(s) due to me\us from my\our holdings in all the companies ticked at the right hand column be credited directly to my\our bank detailed below:

Bank Verification Number			
Bank Name			
Bank Account Number			
Account Opening Date			
	DD	MM	YY

### Shareholders Account Information

Surname/Company Name	First Name	Other Name(s)
<b>Address</b>		
<b>City</b>	<b>State</b>	<b>Country</b>
<b>Previous Address (if any)</b>		
<b>CSCS Clearing House Number</b>	<b>Email Address</b>	
<b>Mobile Number (1)</b>	<b>Mobile Number (2)</b>	
<b>Shareholder's Signature</b>	<b>2<sup>nd</sup> Signatory</b> (Joint/Company Accounts)	
<b>Company Seal</b> (if applicable)		

### Only Clearing Banks Are Acceptable

Tick	Company Name	Shareholders Account No.
<input type="checkbox"/>	11 PLC	
<input type="checkbox"/>	2LP Management Company Limited Series 1	
<input type="checkbox"/>	Abplast Products PLC	
<input type="checkbox"/>	Allianz Nigeria Plc (erstwhile Union Assurance Company Limited; Ensure Insurance)	
<input type="checkbox"/>	Aluminum Extrusion PLC	
<input type="checkbox"/>	Axxela Bond	
<input type="checkbox"/>	Cashew Nuts Processing Industries PLC	
<input type="checkbox"/>	Chellarams PLC	
<input type="checkbox"/>	Christlieb PLC	
<input type="checkbox"/>	DANA Group of Companies PLC Series 1 & 2	
<input type="checkbox"/>	DN Tyre & Rubber PLC	
<input type="checkbox"/>	Ekiti State Bond Tranche 2	
<input type="checkbox"/>	Ekiti State Government Bond	
<input type="checkbox"/>	EKOCORP PLC	
<input type="checkbox"/>	Eterna PLC	
<input type="checkbox"/>	FAN Milk PLC	
<input type="checkbox"/>	General Telecoms PLC	
<input type="checkbox"/>	GlaxoSmithKline Nigeria PLC	
<input type="checkbox"/>	Global Biofuel Nigeria LTD	
<input type="checkbox"/>	Great Nigeria Insurance PLC	
<input type="checkbox"/>	Greenwich Alpha ETF	
<input type="checkbox"/>	Greenwich Money Market Fund	
<input type="checkbox"/>	Ikeja Hotels PLC	
<input type="checkbox"/>	Impresit Bakolori PLC	
<input type="checkbox"/>	Industrial & General Insurance PLC	
<input type="checkbox"/>	IPWA PLC	
<input type="checkbox"/>	John Holts PLC	
<input type="checkbox"/>	Julius Berger Nigeria PLC	
<input type="checkbox"/>	Kajola Integrated & Investment Company PLC	
<input type="checkbox"/>	Lennard Nigeria PLC	
<input type="checkbox"/>	Local Contractors Receivables Bond Tranche 1, 2 & 3	
<input type="checkbox"/>	Meyer PLC	
<input type="checkbox"/>	Municipality Waste Management Contractors Limited Series I, II & III	
<input type="checkbox"/>	Nestle Nigeria PLC	
<input type="checkbox"/>	Nigeria Cement Company PLC	
<input type="checkbox"/>	Nigeria Entertainment Fund	
<input type="checkbox"/>	Nigeria Reinsurance	
<input type="checkbox"/>	Nigerian Enamelware PLC	
<input type="checkbox"/>	Nigerian Lamp & Industries	
<input type="checkbox"/>	Nigerian Wire & Cable PLC	
<input type="checkbox"/>	Nova Bond Series I	
<input type="checkbox"/>	Okitipupa Oil Palm PLC	
<input type="checkbox"/>	Oluwa Glass Company	
<input type="checkbox"/>	Primero BRT Securitization SPV	
<input type="checkbox"/>	Studio Press Nigeria PLC	
<input type="checkbox"/>	Sush SPV Bond II	
<input type="checkbox"/>	The Tourist Company of Nigeria PLC	
<input type="checkbox"/>	Tripple Gee & Company PLC	
<input type="checkbox"/>	Unilever Nigeria PLC	
<input type="checkbox"/>	Union Homes REITS	
<input type="checkbox"/>	Union Homes Savings & Loans PLC	
<input type="checkbox"/>	University Press PLC	
<input type="checkbox"/>	Wema Bank PLC	
<input type="checkbox"/>	Wema Funding SPV Plc Bond Series I & II	



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