



IKEJA HOTEL PLC
RC 10845



Annual Report
& Accounts

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NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ikeja Hotel Plc will be held at Sheraton Lagos Hotel & Towers, 30 Mobolaji Bank Anthony Way, Ikeja, Lagos on Tuesday September 25, 2007 at 12.00 noon for the following purposes:

Ordinary Business

- 1 To receive the Report of the Directors, the Financial Statements for the year ended December 31, 2006 and the Reports of the Auditors and the Audit Committee thereon.
- 2 To declare a dividend
- 3 To re-elect Directors.
Special notice is hereby given for the re-election of Senator (Olorogun) F. O. Ioru as a director of the Company, notwithstanding that he has attained the age of 70 years.
- 4 To authorise the Directors to fix the remuneration of the Auditors.
- 5 To elect members of the Audit Committee.

Special Business

- 6 To approve the remuneration of the Directors.

BY ORDER OF THE BOARD

IHL SERVICES LIMITED

Secretary

Lagos
August 15, 2007

Notes:

1 Proxy

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company. To be valid, proxy forms must be stamped and deposited at the Registered Office of the Company, Suite 250, Federal Palace Hotel, 6-8 Ahmadu Bello Way, Victoria Island, Lagos not less than 48 hours before the time for holding the meeting.

2 Dividend Warrants

If the recommended dividend is approved, payment will be made on October 31, 2007 to holders of shares of the Company issued prior to the public offer of September 2006, whose names are on the Register of Members for those shares at the close of business on September 7, 2007.

3 Closure of Register

The Register of Members and the Transfer Books of the company will be closed from Monday September 3, 2007 to Friday September 7, 2007, both days inclusive, for the preparation of dividend warrants.

4 Audit Committee

A member of the Company may nominate a shareholder to be a member of the Audit Committee. Such nomination must reach the Secretary to the Company at Suite 250, Federal Palace Hotel, 6-8 Ahmadu Bello Way, Victoria Island, Lagos, at least 21 days before the date of the meeting.



DIRECTORS, PROFESSIONAL ADVISERS, ETC

Directors

Mr. G.M. Ibru, OON
Chief J. Akin George, OFR
Olorogun M.C.O. Ibru, OFR
Olorogun F.O. Ibru
Dr. O. Otudeko, MFR, OFR
Dr. A. U. Ibru
Mr. Y.A. Disu

Secretary

IHL Services Limited

Registered Office

Suite 250
Federal Palace Hotel
Ahmadu Bello Way
Victoria Island
Lagos

Auditors

PKF Pannell Kerr Forster

Major Bankers

Afribank Nigeria Plc
Diamond Bank Plc
Sterling Bank Plc
Union Bank of Nigeria Plc
ZENITH Bank Plc

Registrar and Transfer Office

Union Registrars Limited
Bunna Road
Apapa



CHAIRMAN'S STATEMENT

I am delighted to welcome you to this year's Annual General Meeting of our Company, Ikeja Hotel Plc. I am particularly delighted to welcome our new shareholders, namely, those investors who subscribed to our Initial Public Offering in September last year.

I have pleasure in presenting to you the Report of the Company's performance in the financial year ended December 31, 2006.

OPERATING ENVIRONMENT

As it is customary, I will begin my address by making a few remarks on some of the major economic developments during the year under review. Nigeria finally exited the Paris Club, a group of 19 sovereign creditors including the United Kingdom, Germany and Russia, with the payment of the balance of the debt due to the Club following the debt relief of US\$18 billion granted the country in 2005. While the country was exiting the Paris Club, thereby reducing its external debts to about US\$5 billion owed largely to the London Club of private lenders, it was accumulating huge domestic debts. The estimated stock of the country's domestic debts was put at about N1.7 trillion as at December 31, 2006. The plan by the Federal Government, through the Debt Management Office, to issue bonds for the payment of part of the domestic debts is a welcome development.

Crude oil prices in the international market remained above US\$60 per barrel for the greater part of the year. Even though the crisis in the Niger Delta region, from where the bulk of the country's oil is produced, made it impossible for the country to achieve the planned production and export levels, higher prices more than compensated for the cutback in production and export. Receipts from crude oil export, inflows of foreign currency from Foreign Direct Investment and remittances by Nigerians in the diaspora helped to stabilise the external value of the naira. The country's foreign currency reserves rose to about US\$44 billion at the close of the year.

The state of infrastructural facilities and utilities showed little or no improvement during the year. In spite of the huge investment by government in power generation and distribution, electricity supply remained epileptic for most of the year. During the year, manufacturers and other industrial establishments generated an average of 60% of their energy needs. A lot has been said and written about the negative impacts of the deplorable state of power generation and distribution on production and commercial activities in the country. However, it is gratifying to note that the new administration of President Umaru Yar'Adua has recognised the need for urgent and serious measures to be taken to improve the situation.

COMPANY PERFORMANCE

The hospitality industry recorded a reasonable level of growth during the year under review in tandem with improvements in air travels during the period. Passenger movements both from within and outside the country were at a higher level than in the preceding year. During the year, Sheraton Lagos Hotel & Towers recorded a healthy room occupancy rate compared with the preceding year. In other areas of revenue generation, such as banqueting, the Hotel also performed well.

The Company achieved a turnover of N4.64 billion in the financial year ended December 31, 2006, compared with a turnover of N4.19 billion in 2005. The increase in turnover was N453.2 million or 11%. The increased turnover was made possible by innovative marketing efforts by the management which resulted in higher room occupancy levels during the year. Room occupancy is the key indicator of the performance of a hotel, as room revenue drives all other revenues.

Operating profit rose from N867.7 million in 2005 to N936.1 million in 2006, an increase of N68.5 million or 8%. Interest and similar charges fell by 22% from N123 million in 2005 to N83.3 million in the year under review. The reduced interest burden resulted from generally lower interest rates negotiated with the banks and the reduction in the Company's debts through repayments made during the year.

The profit on the ordinary activities of the Company before tax rose from N744.6 million in the preceding year to N852.8 million. This represents an increase of 15% or about N100 million. After making a provision of N326.8 million for tax (N310.5 million in 2005), the Company recorded a net profit of N525.9



CHAIRMAN'S STATEMENT cont'd

million, compared with N434.1 million in 2005, representing an increase of 21%. Earnings per share increased from 40 kobo in 2005 to 46 kobo during the year under review.

The Company's performance during the year under review is in line with the forecast made in the Prospectus issued in respect of the Initial Public Offering in September 2006.

DIVIDEND

The Directors have recommended for your approval at this Annual General Meeting a dividend of 10 kobo per share, amounting to N108 million, on the 1,080,000,000 shares of the Company issued and paid up prior to the Initial Public Offering made towards the end of last year. If approved at this meeting, the dividend will be paid on October 31, 2007 to the holders of the pre-offer shares whose names were on the register at the close of business on September 7, 2007. The recommended dividend will be subject to deduction of withholding tax at the appropriate rate at the time of payment.

In accordance with the terms of issue of the shares comprised in the public offer of September 2006, the holders of the new shares will not participate in the dividend to be paid in respect of the financial year under review. However, our new shareholders should be rest assured that they will participate *pari passu* with the holders of the pre-offer shares in any subsequent distribution by the Company.

THE TOURIST COMPANY

At the last Annual General Meeting I mentioned that the refurbishment of the Old Wing of Federal Palace Hotel was virtually completed, with the exception of Furniture, Fittings and Equipment, referred to as FF&E in hotel parlance. Two major problems, namely, availability of quality furniture following the ban imposed by the Federal Government on the importation of certain types of furniture and funding for the FF&E phase have delayed the completion of the Old Wing refurbishment.

I am pleased to report that these two major problems have now been substantially resolved. We are about to conclude an agreement with Sun International Limited, a South African company with strong presence in the hospitality and tourism industry within and outside Africa. Under the proposed agreement, Sun International Limited will provide funding for the completion of the refurbishment of the Old Wing and manage the Hotel on behalf of The Tourist Company of Nigeria Plc.

The Tourist Company of Nigeria Plc (TCN) had a turnover of N1.2 billion in the year ended December 31, 2006. The turnover for the preceding year was N1 billion. Operating loss before providing for interest payable and other similar charges was N3.6 million, which showed a significant improvement on the operating loss of N61.2 million sustained in 2005. Interest payable and other similar charges amounted to N165.7 million, compared with N157.1 million in the preceding year. The higher provision for interest and similar charges was a direct result of increased borrowing during the year.

The provision for tax was N127.1 million, compared with N6.2 million in 2005. Included in the provision for tax was the sum of N111.8 million for deferred tax and N9.9 million for Capital Gains Tax which did not feature in the previous year's financial statements. This explains the huge increase in the provision for tax between 2005 and the year under review.

As I said at the last Annual General Meeting, the key to a profitable TCN is the completion of the refurbishment of the Old Wing. With the new arrangement referred to earlier in this address, your Directors are confident that the refurbished Old Wing will become operational before long.

CAPITAL HOTELS PLC

The results of Capital Hotels Plc (the owning company of Abuja Sheraton Hotel & Towers) showed a significant improvement over the performance for 2005. During the year, Abuja Sheraton recorded a higher room occupancy level compared with the preceding year. However, Abuja still suffers from generally low room occupancy levels resulting from an over-supply of hotel rooms relative to the demand for them. Abuja has continued to attract more visitors from outside and within the country. This is a development that should impact positively on the hospitality industry.



CHAIRMAN'S STATEMENT cont'd

Turnover for Capital Hotels rose from N2.2 billion in 2005 to N2.8 billion in the year under review, representing an increase of over N621.7 million or about 27.9%. Profit on the ordinary activities of the company after interest and similar charges but before providing for tax was N345.9 million compared with N31.4 million in 2005. After providing N110.7 million for tax (N10.2 million in 2005), the company was left with a profit before appropriation of N235.2 million. The comparative figure for the preceding year was N21.1 million.

The Directors of Capital Hotels Plc will make appropriate recommendation to the shareholders of that company in respect of declaration of dividend for the year.

PUBLIC SHARE OFFER

In September last year our Company offered to the public one billion ordinary shares of 50 kobo each at N3.00 per share. A total of 652,330,333 shares were taken up during the offer. In accordance with the new rules of the Securities & Exchange Commission, the shares which were not taken during the offer have been cancelled and added to the unissued share capital of the Company. Share certificates have since been dispatched to all allottees.

Following the public offer, the entire issued shares of the Company amounting to 1,732,330,333 were admitted to the Daily Official List of the Nigerian Stock Exchange on Thursday September 6, 2007. The shares of our Company are now traded on the Nigerian Stock Exchange under the Hotel & Tourism sector.

FUTURE OUTLOOK

The successful completion of general elections early this year to usher in new governments at state and federal levels marked another step forward in our country's march towards institutionalising democratic governance. Although the elections were not without controversy, the fact that for the first time in its political history the country witnessed a peaceful transfer of power from one set of elected leaders to another is quite significant. A stable polity is essential for economic growth.

The new governments are expected to address the enormous challenges facing the country. Our decaying road network and railways, erratic power supply, crisis in the Niger Delta region and insecurity in the country as a whole, are some of the numerous major challenges which the new governments face.

Our Company looks forward to the future with reasonable optimism, although there are challenges along the way. Competition in the Hospitality Industry is growing by the day. I have earlier referred to the situation in Abuja where there is an over-supply of hotel rooms relative to demand. Management will continue with its efforts to address this situation and make Abuja Sheraton a more profitable hotel. In the Lagos area where two of our hotels are located, new hotels are springing up. In the face of growing competition, we must remain resolute in our determination to meet the challenges ahead.

CONCLUSION

In conclusion, I like to acknowledge the continued support of our bankers. May I also use this opportunity to express our appreciation to all those who contributed to the success of our public share offer in September 2006.

I thank you for your attention

GOODIE M. IBRU, OON



REPORT OF THE DIRECTORS

The directors are pleased to present to members their Report together with the audited financial statements of the company for the year ended 31 December 2006.

1 Principal Activities

The principal activities of the company are the operation of hotels and provision of catering services.

2 Results for the Year

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

	2006 N000	2005 N000
Turnover	4,642,952	4,189,717
Profit before taxation	852,766	744,630
Taxation	(326,822)	(310,498)
Profit after taxation	525,944	434,132

3 The Directors have recommended to the shareholders the payment of a 10 kobo for every share held by members prior to the public offer of September 2006.

4 Fixed Assets

Additions to fixed assets during the year amounted to N558 million. Details of movements in fixed assets are shown on Note 2 to the accounts.

5 Directors

The directors who served during the year are:

G.M.Ibru, OON (Chairman)
Chief J. Akin-George, OFR
Olorogun M.C.O. Ibru, OFR
Dr. O. Otudeko, MFR, OFR
Senator (Olorogun) F. O. Ibru
Dr. A. U. Ibru
Y. A. Disu

Olorogun M.C.O. Ibru, OFR, Senator (Olorogun) Felix O. Ibru and Dr. O. Otudeko, MFR, OFR will retire by rotation at the Annual General Meeting. Senator (Olorogun) F. O. Ibru and Dr. O. Otudeko have offered themselves for a reelection. Accordingly, a resolution for their reelection will be proposed at the AGM.

6 Substantial Shareholdings

As at the date of this Report, no shareholder held more than 5% of the issued capital of the Company, except:

Name	No. of 50k shares	%
Union Bank of Nigeria Plc	333,333,333	19.2
Bank of Industry Limited	232,541,732	13.4
Wagmest Nigeria Limited	160,923,974	9.3
RFC Limited	127,008,720	7.3
Ess-Ay Investment Limited	96,000,000	5.5
Alurum Investment Limited	94,095,177	5.4
Dr. O. Otudeko, MFR, OFR	88,200,000	5.0



REPORT OF THE DIRECTORS cont'd

7 Director's Interests

(a) The direct and indirect interests of directors in the issued capital of the Company as recorded in the register of members at 31 December, 2006 are as follows:

	Direct	Indirect
G. M. Ibru, OON	-	233,780,927
Chief J. Akin-George, OFR	1,162,280	962,280
Olorogun M.C.O. Ibru, OFR	-	58,449,571
Dr. O. Otudeko, MFR, OFR	88,200,000	38,016,000
Senator (Olorogun) F. O. Ibru	-	34,954,089
Dr. A. U. Ibru	-	214,390,429
Y. A. Disu	920,000	-

(b) None of the Directors has notified the company for the purpose of Section 277 of the Companies and Allied Matters Act, CAP C20, LFN 2004 of any discloseable interest in contracts deliberated upon during the year under consideration.

8 Donations and Sponsorship

Donations were made during the year amounted to N1.5m. The recipients were:

	N'000
1. Institute of Quantity Surveyors	75
2. Rotary Club	50
3. IBB Golf Club	26
4. ICAN Lagos District Society	50
5. African International Foundation	150
6. Our Saviour Church	50
7. Bola Memorial Church	1000
8. Uniben Law Student	59
	<u>1,451</u>

9 Company Distributors

The Company has no distributors

10 Technical and Services Agreements

The Company has:

- (i) A management agreement, duly approved by the National Office for Technical Acquisition and Promotion, with Sheraton Overseas Management Corporation for the operation of the Sheraton Lagos Hotel & Towers.
- (ii) A management agreement with IHL Services Limited to provide management and administrative services to the Company.

11 Employment and Employee

(a) Employment of Disabled Persons

The Company had no disabled employee as at 31 December, 2006 but has an employment policy that does not discriminate against the disabled. For employees of the company who become disabled during their service with the Company, arrangements are available to retrain them for alternative work within the Company.

(b) Health, Safety and Welfare

The Company provides free medical facilities to all employees at clinics retained for this purpose. A standard canteen is also provided for the junior staff while management staff take their meals in the Hotel's restaurant. The company is very conscious of the safety



REPORT OF THE DIRECTORS cont'd

requirements both for its guests and employees and stringent precautions are taken to ensure this.

- (c) **Employee's 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 Unions resulting in cordial industrial relations throughout the year. Employees are given regular training on the job or in other hotels in the Sheraton group to equip them with the skills and knowledge required for the performance of their jobs.

12 **Audit Committee**

Pursuant to section 359(3) of the Companies and Allied Matters Act, CAP C20 Laws of Federation of Nigeria 2004, the Hotel, has in place an Audit Committee comprising three shareholders and three directors as follows:

Chief V.C.N. Oyolu, FCA - Chairman
Mr. H. L. Oladimeji
Mr. W. A. Ajani
Dr. O. Otudeko, MFR, OFR
Dr. A. U. Ibru
Mr. Y. A. Disu

13 **Auditors**

The Auditors Messrs PKF-Pannell Kerr Forster having indicated their willingness to continue in office will do so in accordance with Section 357(2) of the Companies and Allied Matters Act, CAP C20 Laws of Federation of Nigeria 2004.

A resolution will be proposed at the Annual General Meeting to authorise the directors to determine their remuneration.

By order of the Board

IHL Services Limited

Secretary

July 17, 2007



REPORT OF THE AUDITORS

We have audited the financial statements of IKEJA HOTEL PLC as at 31 December 2006, set out on pages 12 to 27, which have been prepared on the basis of the accounting policies on pages 12 to 13, and other explanatory notes on pages 17 to 25.

RESPECTIVE RESPONSIBILITY OF DIRECTORS AND AUDITORS

In accordance with the Companies and Allied Matters Act, CAP C20 Laws of Federation of Nigeria 2004, the Company's directors are responsible for the preparation of the financial statements. Our responsibility is to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with generally accepted auditing standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

The financial statements drawn up in conformity with generally accepted accounting principles and the accounting standards issued to date by the Nigerian Accounting Standards Board are in agreement with the books of account, which in our opinion have been properly kept. We have obtained all the information and explanations we required for the purposes of our audit.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31 December, 2006 and of the Profit and Cash flows for the year ended on that date, and have been properly prepared in accordance with the Companies and Allied Matters Act, CAP C20 Laws of Federation of Nigeria, 2004.

Chartered Accountants

Lagos, Nigeria

July 17, 2007



REPORT OF THE AUDIT COMMITTEE

In compliance with Section 359 (6) of the Companies and Allied Matters Act 1990, we have reviewed the Auditor Report for the year ended 31 December, 2006 and hereby state as follows:

1. The scope and planning of the Audit were adequate in our opinion;
2. The Accounting and reporting policies of the Company conformed with Statutory requirements and agreed ethical practices;
3. The internal control was being constantly and effectively monitored; and
4. The external auditors' management report received satisfactory response from Management.

Chief V.C.N. Oyolu, FCA
Chairman, Audit Committee
Dated August 21, 2007

Members of The Committee

Chief V.C.N. Oyolu, FCA
Mr H. L. Oladimeji
Mr W. A. Ajani
Dr. O. Otudeko, MFR, OFR
Dr. A. U. Ibru
Mr. Y. A. Disu
Mr. S. A. Akinsanya served as Secretary to the Committee

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Year Ended 31 December 2006

The significant accounting policies adopted in the preparation of these financial statements are set below:

1. Basis of Preparation

The financial statements are prepared in compliance with Nigerian Statements of Accounting Standards (SAS). The financial statements are presented in the functional currency, Nigeria naira rounded to the nearest thousand, and prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although, these estimates are based on the Directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2. Property, Plant and Equipment

Property, plant and equipment are stated at the cost/valuation, less depreciation on a straight-line basis over the estimated useful life of the assets, taking into consideration any residual value, excluding the costs of day-to-day servicing.

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

3. Depreciation on Property, Plant and Equipment

Depreciation is calculated to write off the cost/valuation of property, plant & equipment during their expected useful lives on a straight-line basis. In the case of revalued property, plant & equipment, depreciation is calculated by reference to the enhanced value of the assets concerned. The principal annual rates of depreciation, which are consistent with those of previous years, are:

Land	-	2½%
Buildings	-	5%
Hotel Equipment	-	10%
Office equipment	-	10%
Computer Equipment	-	25%
Motor Vehicles	-	33⅓%

Depreciation is not calculated on property, plant & equipment until they are brought into use. Gains or losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

4. Stocks

Stocks are valued at the lower of cost and net realizable value. Costs include purchase cost and other costs incurred in bringing the stocks to present location and conditions. Provision is made for obsolete, slow-moving or defective items where appropriate.

5. Debtors

Debtors are stated after making specific provision for debts considered doubtful of recovery. Debts considered bad and irrecoverable are written off.

6. Investments



STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES cont'd

Investments are stated at cost less provision for any permanent diminution in value of such investments. Quoted investments are stated at the lower of cost and market value. Unquoted investments are stated at cost less provision for doubtful investments. Investment income is accounted for on accrual basis.

7. Borrowings

Borrowings are recognized initially at fair value, net of transaction cost incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset in accordance with the provision of International Accounting Standard No. 23.

8. Turnover

Turnover represents the amount invoiced to external customers for goods and services supplied, net of value added tax and service charges.

9. Foreign Currencies

The financial statements are presented in Naira, which is the Company's functional and presentation currency. Income and expenses denominated in foreign currencies are translated to the Naira at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency balances are converted to the Naira at the applicable rates of exchange ruling at the balance sheet date. Any profits or loss arising on the conversion of foreign currencies is included in the profit and loss account.

10. Taxation

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax and deferred income/capital gains tax.

i) Income Tax

Income tax payable is provided by applying the currently enacted tax rates on the profit of the company as adjusted for taxation purposes.

ii) Deferred Taxation

Deferred taxation, which arises from timing differences in the recognition of items for accounting and tax purposes, is calculated using the liability method. Deferred income tax assets and liabilities are measured at the rates that are expected to apply to the year when the asset is realized or the liability settled, based on tax rates and tax laws that have been enacted at the balance sheet date.

11. Employees' Retirement Benefits

The Company operates a defined contributory retirement benefits scheme for members of staff, which is independent of its finances and is managed by Pension Fund Administrators. The Scheme which is funded by contributions from employees (7½%) and the Company (7½%) is consistent with the provisions of the Pension Reform Act 2004.

Provisions are also made for the unfunded portion of the gratuity by the company. These are calculated on employees' final months gross salaries for every completed year for employees that have completed a period of three (3) years of unbroken service to the Company. The costs are charged to Profit and Loss Account.

12. Dividend Payable

Proposed dividends for the year, is recognized as a liability after the balance sheet date when declared and approved by shareholders at the Annual General Meeting.

PROFIT AND LOSS ACCOUNT

Profit and Loss Account

Year Ended 31 December 2006

	Notes	2006 N'000	2005 N'000
Turnover	18	4,642,952	4,189,717
Cost of Sales		<u>(2,925,732)</u>	<u>(2,548,308)</u>
Gross Profit		1,717,220	1,641,409
Administrative Expenses		<u>(781,510)</u>	<u>(775,293)</u>
Other Income	19	<u>935,710</u> 420	<u>866,116</u> 1,553
Operating Profit		936,130	867,669
Interest and other similar charges		<u>(83,364)</u>	<u>(123,039)</u>
Profit before taxation	20	852,766	744,630
Taxation	17.2	<u>(326,822)</u>	<u>(310,498)</u>
Profit after taxation		525,944	434,132
Dividend Proposed	26	<u>-</u>	<u>(108,000)</u>
Retained profit for the year	16	<u><u>525,944</u></u>	<u><u>326,132</u></u>
Per share data (kobo)			
Earnings per share		46	40
Dividend per share		-	10

The statement of significant accounting policies on pages 12 to 13 and the accompanying notes on pages 17 to 25 form an integral part of these financial statements.

BALANCE SHEET

Balance Sheet
As at 31 December 2006

	Note	2006 N'000	2005 N'000
PROPERTY, PLANT AND EQUIPMENT	2	692,095	208,249
LONG-TERM INVESTMENTS	3	5,289,498	6,775,727
CURRENT ASSETS			
Stocks	4	182,255	174,705
Trade debtors		876,325	580,100
Amount due from subsidiary and associated companies	5	7,237,320	4,459,401
Other debtors and prepayments	6	75,177	545,658
Bank and cash balances		945,549	246,479
		<u>9,316,626</u>	<u>6,006,343</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Bank overdrafts and short term loans	7	192,827	1,329,043
Trade Creditors		244,214	86,120
Amount due to associated companies	8	964,295	1,016,388
The Sheraton Corporation		29,110	23,748
Other creditors and Accrual	9	3,139,824	2,526,766
Dividend Payable	10	267,602	349,903
Taxation	17.1	460,711	313,550
		<u>5,298,583</u>	<u>5,645,518</u>
NET CURRENT ASSETS		<u>4,018,043</u>	<u>360,825</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,999,636	7,344,801
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Medium term loans	11	(3,638,617)	(3,625,290)
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	17.3	(43,885)	(46,079)
Staff gratuities	12.1	(1,976,005)	(1,677,738)
Staff pensions	12.2	(102,067)	(48,442)
NET ASSETS		<u>4,239,062</u>	<u>1,947,252</u>
CAPITAL AND RESERVES			
Share capital	14	866,174	540,000
Share premium	15	1,591,187	151,495
Revaluation reserve	13	171,841	171,841
General reserve	16	1,609,860	1,083,916
SHAREHOLDERS' FUNDS		<u>4,239,062</u>	<u>1,947,252</u>

The financial statements and notes on pages 14 to 27 were approved by the Board of Directors on July 17, 2007 and signed on its behalf by:

G.M. Ibru

Y. A. Disu

DIRECTORS

The statement of significant accounting policies on pages 12 to 13 and accompanying notes on pages 17 to 25 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

Year Ended 31 December 2006

	Notes	2006 N'000	2005 N'000
Operating Activities			
Cash receipts from customers		4,373,727	3,833,268
Payment to suppliers and employees		(2,030,772)	(1,796,077)
Income tax paid	17.1	(271,000)	(120,476)
Net Cashflows from Operating Activities	23	2,071,955	1,916,715
Investing Activities			
Advances to subsidiary & associated companies		(1,291,782)	5,320,316
Purchase of fixed assets	2	(558,415)	(82,122)
Purchase of investments	3	-	(6,341,115)
Net Cash used in Investing Activities		(1,850,197)	(1,102,921)
Financing Activities			
Proceed from Issues of Shares		1,957,044	-
Loans repayment		(1,012,714)	(231,530)
Loan obtained		13,327	64,285
Interest paid	20	(83,364)	(123,039)
Dividend paid	10	(82,301)	(146,782)
Share Issue Expense	15	(191,178)	(19,720)
Net Cashflows from Financing Activities		600,814	(456,786)
Increase in Cash and Cash Equivalents		822,572	357,008
Cash and Cash Equivalents at 1 January		4,585	(352,423)
Cash and Cash Equivalents at 31 December	24	827,157	4,585

The statement of significant accounting policies on pages 12 to 13 and the accompanying notes on pages 17 to 25 form an integral part of these financial statements.



Notes to the Financial Statements

Year Ended 31 December 2006

1. THE COMPANY

Legal Form

Ikeja Hotel Plc, formerly Properties Development Limited, was incorporated on 13 November, 1972. It owns the Sheraton Lagos Hotel & Towers and in partnership with other investors the Federal Palace Hotel, Lagos through the acquisition of The Tourist Company of Nigeria Plc.

Principal Activities

The principal activities of the Company are the operation of hotels and the provision of catering services.

The Company is managed and operated by Sheraton Overseas Management Corporation under an agreement dated 31 October 1980 (renewed 29 August 1996).

By an agreement dated 29 December, 1992 (renewed 19 April 1999), IHL Services Limited provides Administrative and Accounting services to the Company.

2. PROPERTY, PLANT AND EQUIPMENT

	Land N'000	Buildings N'000	Hotel Equipment N'000	Office Computer Equipment N'000	Motor Vehicles N'000	Total N'000
COST/VALUATION						
At 1 January 2006	8,295	198,585	310,905	59,034	118,625	693,444
Additions in the year	-	459,323	57,001	36,976	5,115	558,415
Disposals	-	-	-	-	(2,037)	(2,037)
At 31 December 2006	<u>8,295</u>	<u>655,908</u>	<u>367,906</u>	<u>96,010</u>	<u>121,703</u>	<u>1,249,822</u>
DEPRECIATION						
At 1 January 2006	3,717	132,852	192,652	40,817	115,157	485,195
Charge for the year	207	32,795	24,049	14,107	3,411	74,569
Disposals	-	-	-	-	(2,037)	(2,037)
At 31 December 2006	<u>3,924</u>	<u>165,647</u>	<u>216,701</u>	<u>54,924</u>	<u>116,531</u>	<u>557,727</u>
NET BOOK VALUE						
At 31 December 2006	<u>4,371</u>	<u>490,261</u>	<u>151,205</u>	<u>41,086</u>	<u>5,172</u>	<u>692,095</u>
At 31 December 2005	<u>4,578</u>	<u>63,733</u>	<u>118,253</u>	<u>18,217</u>	<u>3,468</u>	<u>208,249</u>

The Company's land, buildings and hotel equipment were revalued on 14 September 1989 by Messrs Knight, Frank & Rutley (Nigeria) Estate Surveyors and Valuers on the open market value basis between the willing buyer and a willing seller. The surplus arising on revaluation amounting to N171,841,536 had been transferred to capital reserve. The land, buildings and hotel equipment are stated in these financial statements at such valuation with additional cost to date.

The Company's land, buildings and hotel equipments including furniture and fittings were again revalued at N4,169,470,000 and N452,939,000 respectively on 3 February, 2005 by Messrs Knight Frank on the open market value basis. However, these revaluations have not been incorporated in these financial statements.

The revaluation of property, plant and equipment is done when it is considered necessary by the Directors.



Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

	2006 N'000	2005 N'000
3. LONG-TERM INVESTMENTS		
Quoted:		
The Tourist Company of Nigeria Plc (Note 3.1) 610,658,216 ordinary shares at cost (Market value - N2,204,476,160)	<u>829,504</u>	<u>829,504</u>
Unquoted:		
Charles Hampton & Company Limited *	3,499	3,499
Felfan Limited *	13,005	13,005
A. Savcia Limited *	2,571	2,571
Hans Gremlin Nigeria Limited (Note 3.1)	<u>4,440,919</u>	<u>5,927,147</u>
	<u>4,459,994</u>	<u>5,946,222</u>
	<u>5,289,498</u>	<u>6,775,726</u>

3.1 The Company owns 37.8% of the Tourist Company of Nigeria Plc and 75% of Hans Gremlin Nigeria Limited respectively.

* These companies have not yet commenced business.

4. STOCKS

Food and Beverages	44,866	44,532
Linen	24,600	36,164
China, Glass and Silver	33,638	24,279
Engineering Suppliers	47,887	44,737
Guest Supplies	17,154	16,696
Stationery, Fuel etc.	<u>34,361</u>	<u>27,709</u>
	202,506	194,117
Provision for obsolescence and slow moving items	<u>(20,251)</u>	<u>(19,412)</u>
	<u>182,255</u>	<u>174,705</u>

Full provision has been made in the financial statements to cover possible losses arising from obsolescence and slow moving engineering spares.

5. AMOUNT DUE FROM SUBSIDIARY AND ASSOCIATED COMPANIES

The Tourist Company of Nigeria Plc	2,569,997	2,383,167
Hans Gremlin (Nigeria) Limited	4,488,774	1,953,070
Felfan Limited	18,357	15,532
Opebi Gateway Project	6,275	5,717
Federal Palace Hotel	113,714	72,364
Abuja Sheraton Hotel & Towers	<u>40,203</u>	<u>29,551</u>
	<u>7,237,320</u>	<u>4,459,401</u>



Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

	2006 N'000	2005 N'000
6. OTHER DEBTORS AND PREPAYMENTS		
Staff debtors	16,189	18,633
Advance payment to suppliers	41,684	78,340
Capital work in progress	-	439,389
Other debtors and prepayment	17,304	9,296
	<u>75,177</u>	<u>545,658</u>
7. BANK OVERDRAFTS & SHORT-TERM LOANS		
Bank overdraft	118,392	241,894
Short term loans	74,435	1,087,149
	<u>192,827</u>	<u>1,329,043</u>
8. AMOUNT DUE TO ASSOCIATED COMPANIES		
IHL Services Limited	714,295	766,388
Minabo Limited	250,000	250,000
	<u>964,295</u>	<u>1,016,388</u>
9. OTHER CREDITORS AND ACCRUALS		
Guests' deposits	80,754	123,177
Accrued interest payable	1,578,045	1,471,663
Other creditors and accrual	1,481,025	931,926
	<u>3,139,824</u>	<u>2,526,766</u>
10. DIVIDEND PAYABLE		
At 1 January	349,903	388,685
Proposed for the year	-	108,000
Payments in the year	(82,301)	(146,782)
At 31 December	<u>267,602</u>	<u>349,903</u>
11. MEDIUM TERM LOANS		
<p>This relates to some of the outstanding borrowings of N3.6 billion from a consortium of Nigerian banks at 19% interest rate +/- market variation converted to medium term loans used to part finance the acquisition of 51% of Capital Hotels Plc (Abuja Sheraton Hotel) on behalf of Hans-Gremlins (Nigeria) Limited. The borrowings are secured on the fixed and floating assets of the Company.</p>		
12. STAFF RETIREMENT BENEFIT SCHEME		
12.1 STAFF GRATUITIES		
At 1 January	1,677,738	1,468,375
Payment during the year	(120,180)	
Charge for the year	418,447	209,363
At 31 December	<u>1,976,005</u>	<u>1,677,738</u>

Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

	2006 N'000	2005 N'000
12.2 STAFF PENSIONS		
At 1 January	48,442	-
Charge for the year	53,625	48,442
Payment in the year	-	-
	<u>102,067</u>	<u>48,442</u>
13. REVALUATION RESERVE		
Surplus on revaluation of land, buildings and hotel equipment including furniture and fittings	<u>171,841</u>	<u>171,841</u>
14. SHARE CAPITAL		
Authorised:		
2,200,000,000 Ordinary Shares of 50 kobo each	<u>1,100,000</u>	<u>1,100,000</u>
Issued and Fully Paid:		
1,732,348,000 Ordinary Shares of 50 kobo each (2005: 1,080,000,000 Ordinary Shares of 50 kobo each)	<u>866,174</u>	<u>540,000</u>
During the year, the Company offer for public subscription 1 billion Ordinary shares of 50k at N3 per share out of which 652,348,000 shares were taken up.		
Movement in Issue Share Capital		
Balance beginning of the year	540,000	540,000
Issue of new shares	<u>326,174</u>	-
	<u>866,174</u>	<u>540,000</u>
15. SHARE PREMIUM		
At 1 January	151,495	171,215
Amount received on public issue in excess of nominal value	1,630,870	-
Share issue expenses written off	<u>(191,178)</u>	<u>(19,720)</u>
At 31 December	<u>1,591,187</u>	<u>151,495</u>
16. GENERAL RESERVE		
At 1 January	1,083,916	757,784
Retained profit for the year	<u>525,944</u>	<u>326,132</u>
At 31 December	<u>1,609,860</u>	<u>1,083,916</u>
17. TAXATION		
17.1 Per Balance Sheet		
At 1 January	313,550	121,913
Underprovision in the prior year	89,145	-
Charge for the year (Note 17.2)	329,016	312,113
Payment during the year	<u>(271,000)</u>	<u>(120,476)</u>
At 31 December	<u>460,711</u>	<u>313,550</u>



Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

	2006 N'000	2005 N'000
17.2 Per Profit and Loss Account		
Income tax for the year	305,052	291,398
Education tax	23,964	20,717
	<u>329,016</u>	<u>312,113</u>
Deferred Taxation:-		
Income Tax	(19,378)	-
Capital Gain Tax	17,184	(1,615)
	<u>326,822</u>	<u>310,498</u>

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act CAP C21 LFN 2004 and the Education Tax Act CAP E4 LFN 2004 as amended to date

17.3 Deferred Taxation

At 1 January	46,079	47,694
Charge for the year:-		
Income Tax	(19,378)	(1,615)
Capital Gain Tax	17,184	-
	<u>43,885</u>	<u>46,079</u>

The Company has adopted the statement of Accounting Standard (SAS 19) on deferred taxation, which is computed using the liability method.

18. TURNOVER

Turnover, which is made from rooms, food, beverages etc. is analyzed as follows:

Rooms	3,411,394	3,128,498
Food and beverages	965,835	816,924
Other services	265,723	244,295
	<u>4,642,952</u>	<u>4,189,717</u>

19. OTHER INCOME

Interest on advances	-	12
The Club	-	178
Sundry income	420	1,363
	<u>420</u>	<u>1,553</u>

20. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

Directors' emoluments:		
- Fees	800	1,300
- Other	6,098	6,286
Auditors' remuneration	3,000	3,000
Interest payable and similar charges	83,364	123,039
Management fees	464,295	412,197
Staff retirement benefits	260,101	209,363
Exchange (Gain)/Loss	-	-
Depreciation of Fixed Assets	74,569	44,413
	<u>74,569</u>	<u>44,413</u>

Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

	2006 N'000	2005 N'000
21. (INCREASE)/DECREASE IN OPERATING ASSETS		
Stocks	(7,550)	(57,209)
Trade Debtors	(296,225)	(311,940)
Other Debtors and Prepayments	<u>418,479</u>	<u>(46,061)</u>
	<u>114,704</u>	<u>(415,210)</u>
22. INCREASE IN OPERATING LIABILITIES		
Trade Creditors	158,094	22,299
Other Creditors and Accruals	618,421	1,308,657
Staff Gratuities and Pension	<u>351,892</u>	<u>209,363</u>
	<u>1,128,407</u>	<u>1,540,319</u>
23. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Profit on ordinary activities after taxation	525,944	434,132
Depreciation of property, plant & equipment (Note 2)	74,569	44,413
Interest paid	83,364	123,039
(Increase)/Decrease in operating assets (Note 21)	114,704	(415,210)
Increase in operating liabilities (Note 22)	1,128,407	1,540,319
Increase in Tax Payable (Note 17.1)	147,161	191,637
Decrease in Deferred Taxation (Note 17.3)	<u>(2,194)</u>	<u>(1,615)</u>
Net cash provided by operating activities	<u>2,071,955</u>	<u>1,916,715</u>
24. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consists of cash on hand and balances with banks. Cash and cash equivalents included in cash flows statements comprise the following balance sheet amounts:		
Bank and cash balances	945,549	246,479
Bank overdraft	<u>(118,392)</u>	<u>(241,894)</u>
	<u>827,157</u>	<u>4,585</u>



Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

	2006 N'000	2005 N'000
25. INFORMATION REGARDING DIRECTORS AND EMPLOYEES		
a) Directors		
.1 Directors' emoluments are made up as follows:		
Fees:		
- Chairman	200	200
- Directors	800	1,100
Other Emoluments:		
- Chairman	871	898
- Directors	5,227	5,388
	<u>7,098</u>	<u>7,586</u>
.2 Scale of directors' remuneration		
The number of directors excluding the Chairman whose emoluments fell within the following ranges are:		
N90,001 - N100,000	<u>6</u>	<u>10</u>
b) Employees		
.1 The average number of personnel employed by the Company during the financial year are:		
- Hotel Operations	<u>583</u>	<u>512</u>
.2 Employees' Costs		
Salaries and Wages	256,874	242,997
Pension Costs and Gratuities	472,072	257,805
Other Costs	579,184	572,418
	<u>1,308,130</u>	<u>1,073,220</u>

Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

		2006	2005
		N'000	N'000
.3 Scale of Employees' Remuneration			
N	N	Number	Number
80,001 -	90,000	25	11
90,001 -	100,000	189	164
100,001 -	110,000	88	93
110,001 -	120,000	86	69
120,001 -	130,000	43	43
130,001 -	140,000	47	40
140,001 -	150,000	42	33
150,001 -	160,000	38	32
160,001 -	170,000	9	12
170,001 -	180,000	9	8
Above	180,000	7	7
		<u>583</u>	<u>512</u>

26. PROPOSED DIVIDEND

A final dividend of 10k (N108 million) per 50k ordinary shares of 1,080,000,000 held prior to the recently concluded public offer issue has been proposed. This is in line with the offer document which states that the new shareholders will not be entitled to dividend out of current year's profit. The dividend is subject to shareholders' ratification. No provision would be made for dividend until ratification at the Annual General Meeting.

27. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.

Profit after tax for the year attributable to ordinary shareholders	<u>852,766</u>	<u>434,132</u>
Weighted average number of ordinary shares in issue (thousands)	<u>1,134,362</u>	<u>1,080,000</u>
Basic earnings per share (kobo)	<u>46</u>	<u>40</u>

There were no potential dilutive ordinary shares at either year end.

28. CONTINGENT LIABILITIES

The Hotel is subject to various claims and other liabilities arising in the normal course of business. The contingent liabilities in respect of pending litigations and other liabilities amounted to N62.7 million as at 31 December 2006 (2005: N262.5 million). In the opinion of the Directors, based on legal advice, no material loss is expected to arise from these claims. Therefore, no provision has been made in the financial statements.

29. CHANGE OF ACCOUNTING POLICY

Previously, proposed dividends declared after the balance sheet date were presented in the financial statement as current liabilities. Beginning with the year 2006, the current year's proposed dividends will only be recognised when approved and declared by the shareholders at the Annual General Meeting. Proposed dividends, after the balance sheet date will be recognised as current liabilities at point of approval in line with SAS 23. Had the change in accounting for dividend not been made, dividends would have been appropriated in the current year and retained earnings transferred to reserves would have been lower by N108 million.

30. POST BALANCE SHEET EVENTS

No events or transactions have occurred since the balance sheet date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or results of operations at the balance sheet date.



Notes to the Financial Statements (Cont'd)

Year Ended 31 December 2006

31. STAFF COMMITMENTS

31.1 STAFF GRATUITY SCHEME

The company operates a non-contributory and un-funded defined benefit service gratuity scheme for its employees. The employees' entitlement to retirement benefits under the service gratuity scheme depends on the individual years of service, terminal salary and conditions of service. Benefit payable to employees on retirements or resignation are accrued over the service life of the employee concerned based on current salaries at the balance sheet date. The company's contribution to the service gratuity scheme is charged to the profit and loss account.

31.2 STAFF PENSION SCHEME

The company in line with the provisions of the Pension Reform Act 2004 has instituted a defined contribution pension scheme for its employees. Contributions to the scheme are funded through payroll deductions while the company contribution is charged to profit and loss account.

32. RELATED PARTY TRANSACTIONS

During the year, the Company had significant business dealings with companies, which are associates and subsidiaries of the company. These include:

i) The Tourist Company of Nigeria (TCN)

Ikeja Hotel Plc owns 37.8% of the Tourist Company of Nigeria Plc and financed some of its services in the year amounting to N186.8 million. This includes an interest charge of N166million on Ikeja Hotel Plc current account with TCN at 31 December 2006.

ii) Hans-Gremlins (Nigeria) Limited

Ikeja Hotel Plc owns 75% of the allotted share of Hans Gremlins (Nigeria) Limited. Transaction for the period relates to N1.049 billion interest on some of the outstanding borrowing of N4.61 billion on behalf of Hans-Gremlins (Nigeria) Limited.

iii) IHL Services

IHL Services is a subsidiary of Ikeja Hotel Plc. Significant transactions in the period under review relates to 10% management fees on Sheraton Lagos Hotel & Towers' turnover due to IHL Services amounting to N464million for the provision of finance and administration services.

iv) Minabo Limited

One of the directors of Ikeja Hotel Plc is also a director of Minabo Limited. Transaction during the period relates to N250 million loan at 7% given to Ikeja Hotel Plc by Minabo Limited.

33. FINANCIAL COMMITMENTS

The directors are of the opinion that all known liabilities and commitments have been taken into consideration in the preparation of these financial statements. These liabilities are relevant in assessing the Company's state of affairs.

34. RECLASSIFICATION OF BALANCES

Certain figures relating to the previous year have been restated in these financial statements to conform with the current year's classification.

STATEMENT OF VALUE ADDED

Statement of Value Added
Year Ended 31 December 2006

	2006 N'000	%	2005 N'000	%
TURNOVER	4,642,952		4,189,717	
Other Income	420		1,553	
Bought in goods and services:				
- Local	(2,324,543)		(2,205,968)	
- Imported	-		-	
Value Added	2,318,829	100	1,985,302	100

Applied as follows:-

To pay employees Salaries, wages, allowances and other benefits	1,308,130	56	1,073,220	54
To pay government Taxation	329,016	14	312,113	16
To pay providers of capital Interest	83,364	4	123,039	6
Dividend to shareholders	-		108,000	5
To provide for assets replacement and growth Maintenance and replacement of property, plant and equipment	74,569	3	44,413	2
Retained for Company's growth	525,944	23	326,132	17
Deferred taxation	(2,194)	-	(1,615)	-
Value Added	2,318,829	100	1,985,302	100

Note: "Value Added" represents the additional wealth, which the Company has been able to create by its own and employees' efforts. This statement shows the allocation of that wealth between employees, capital providers, government and those re-invested for the creation of more wealth in future.



FINANCIAL SUMMARY

Five Year Financial Summary As at 31 December

	2006 N'000	2005 N'000	2004 N'000	2003 N'000	2002 N'000
BALANCE SHEETS					
ASSETS					
Property, Plant and Equipment	692,095	208,249	170,540	203,496	204,759
Long term investments	5,289,498	6,775,727	434,612	434,612	1,020,418
Current assets	9,316,626	6,006,343	9,917,170	9,316,297	264,937
Creditors and other liabilities	(8,981,085)	(9,316,887)	(7,413,107)	(8,434,839)	-
Provision for liabilities and charges	(2,078,072)	(1,726,180)	(1,466,375)	-	(44,937)
NET ASSETS	4,239,062	1,947,252	1,640,840	1,519,566	1,445,177
CAPITAL AND RESERVES					
Share capital	866,174	540,000	540,000	540,000	450,000
Revaluation reserves	171,841	171,841	171,841	171,841	171,341
Share premium	1,591,187	151,495	171,215	171,215	251,215
General Reserve	1,609,860	1,083,916	757,784	636,510	562,121
SHAREHOLDERS' FUND	4,239,062	1,947,252	1,640,840	1,519,566	1,445,177
PROFIT AND LOSS ACCOUNTS					
TURNOVER					
	4,642,952	4,189,717	3,295,654	3,082,092	3,145,583
Profit before taxation	852,766	744,630	354,067	437,111	385,832
Taxation	(326,822)	(310,498)	(133,330)	(146,722)	(126,395)
Profit after taxation	525,944	434,132	220,737	290,389	259,437
Dividend	-	(108,000)	(108,000)	(216,000)	(180,000)
Retained profit for the year	525,944	326,132	112,737	74,389	79,437
Per share data (kobo)					
Basic Earnings per Ordinary Share	46	40	20	27	29
Dividend per Ordinary Share	-	10	10	20	20
Net assets per Ordinary share	374	180	152	141	134

Earnings, proposed dividend and net assets per share is calculated by dividing the net profit after tax attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year.



ANALYSIS OF SHAREHOLDINGS

Range	No of share Holders	%	No. of shares	%
1- 5,000	6,025	56.52	19,938,362	1.15
5,001- 10,000	2,309	21.66	19,138,500	1.11
10,001- 100,000	2,040	19.14	67,802,520	3.91
100,001 1,000,000	231	2.17	73,393,460	4.24
1,000,001 and above	55	0.51	1,552,057,491	89.59
	10,660	100.00	1,732,330,333	100.00



1997/1998



REKAM-REKAM



REKAM-REKAM
KEMENTERIAN PENDIDIKAN DAN KEBUDAYAAN



BIMBAK
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PT. BINA BANGSA