



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 ENDED 30 JUNE **2015**



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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 51st Annual General Meeting of The Tourist Company of Nigeria Plc (“the Company”) will take place at Federal Palace Hotel & Casino, 6–8 Ahmadu Bello Way, Victoria Island, Lagos on Friday 27 November 2015 at 11.00a.m. for the following purposes:

Ordinary Business

1. To receive the report of the directors, the annual financial statements for the year ended 30 June 2015 and the reports of the auditors and the audit committee thereon.
2. To re-elect directors:
Special notice is hereby given to re-elect Senator Felix Ibru as a director of the Company, notwithstanding that he is over 70 years old.
3. To authorize the directors to fix the remuneration of the auditors.
4. To elect shareholder-members of the audit committee.
5. To authorize the approval of a mixed-use real estate development on unutilized land belonging to the Tourist Company of Nigeria in partnership with RMB Westport Property Partners Limited.
6. To authorize the directors of the Company to implement ordinary resolution number 5.

Special Business

7. That shareholders of the Company other than interested persons approve transactions with related parties which are recurrent and necessary for day to day operations for the year ended 30 June 2015.
8. That shareholders other than interested persons provide the Board with a general mandate to conduct transactions with related parties for the year ending 30 June 2016. These transactions are recurrent and necessary for day to day operations of the Company.
9. To bring before the members at the General meeting and to propose an amendment to Section 82 (1) of the Company's Memorandum and Articles of Association as follows;
“That the Directors, on behalf of the Company and all its Subsidiaries are empowered to borrow or obtain loans in the ordinary course of business and in the overall best interests of the Company”.
10. To approve the remuneration of the directors.

BY ORDER OF THE BOARD



IHL SERVICES LIMITED

Secretary

Lagos
8 October 2015

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, IHL Services Limited, 84, Opebi Road, Ikeja, Lagos, not later than 48 hours before the time for holding the meeting.
2. **Closure of Register**
The register of members and the transfer books of the Company will be closed from 16 November to 20 November 2015, both dates inclusive.
3. **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 IHL Services Limited, 84, Opebi Road, Ikeja, Lagos) at least 21 days before the date of the meeting.

Company Profile

The Tourist Company of Nigeria ("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.

Financial Highlights

	As at 30 June 2015 <u>₦'000</u>	As at 30 June 2014 <u>₦'000</u>	% Increase / (Decrease)
Major statement of financial position items			
Non-current assets	9,010,340	9,414,139	(4)
Current assets	1,375,885	1,183,749	16
Capital and reserves/Net assets	(1,438,473)	1,203,853	(219)
Non-current liabilities	10,853,215	8,158,540	33
Current liabilities	971,483	1,235,495	(21)
Net assets per share (kobo)	(64)	54	(219)
	Year ended 30 June 2015 <u>₦'000</u>	Year ended 30 June 2014 <u>₦'000</u>	% Increase/ (Decrease)
Major statement of profit or loss and other comprehensive income items			
Revenue	3,209,322	3,386,066	(5)
Loss before taxation	(2,642,326)	(602,547)	(339)
(Loss)/profit after taxation	(2,642,326)	(602,547)	(339)
(Loss)/profit per share- basic (kobo)	(118)	(27)	(337)
Stock Exchange Information			
Stock exchange quotation at 30 June			
In Naira per share	₦3.51	N3.88	(10)
Number of shares issued ('000)	2,246,437	2,246,437	-
Market capitalisation at 30 June (₦ '000)	7,884,994	8,716,176	(10)

Corporate Information

Board of Directors

Mr. Goodie M Ibru, OON - Chairman
Mr. Yakubu Disu
Senator Felix O, Ibru, CON
Sir Richard C Hawkins Bt.*
Mr. Anthony M Leeming*
Mr. David R Mokhobo*
* *South African*

Secretary and registered office

IHL Services Limited
84 Opebi Road
Ikeja
Lagos

Independent Auditor

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

Members of the Audit Committee

Representing the shareholders:
Mr. Bolaji B Banjo, - Chairman
Chief Victor C N Oyolu
Mr. Peter Akinola Soares (Appointed 28 November 2015)
Mrs Temilade F Durojaiye (Resigned 28 November 2015)

Representing the board of directors

Mr. Yakubu Disu
Mr. David R Mokhobo

Solicitors

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

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

Registrar

GTL Registrars Limited
2, Burma Road
Apapa
Lagos

Hotel and Casino Operators

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

Principal Banker

Stanbic IBTC Bank Plc
Plot 1712
Idejo Street
Victoria 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 30 JUNE 2015

Range of shareholding	Number of shareholders	% of total shareholders	Total number of shares held	% shareholding
1 - 1,000	3,182	69.34	2,084,554	0.09
1,001 - 5,000	1,132	24.67	2,994,644	0.13
5,001 - 10,000	130	2.83	1,142,686	0.05
10,001 - 50,000	89	1.94	2,135,734	0.10
50,001 - 100,000	17	0.37	1,437,949	0.06
100,001 - 500,000	24	0.52	7,011,091	0.31
500,001 - 1,000,000	2	0.04	1,265,822	0.06
1,000,001 - and above	13	0.28	2,228,364,992	99.20
	4,589	100.00	2,246,437,472	100.00

Chairman's Report

For the year ended 30 June 2015

OPERATING ENVIRONMENT

The trading environment for the financial year under review was particularly tough with unexpected and uncontrollable socio-political and business events negatively influencing the domestic and international travel markets in Nigeria. The events contributed to the slowing of other major industry sectors, and are expected to do so for some time to come. The main disruptions to business operations during the financial year were: Ebola, low oil price, industrial action, delayed elections, devaluation of the Naira, fuel scarcity and the continued Boko Haram insurgency.

The unexpected outbreak of Ebola in Nigeria and the reporting that Nigeria had become one of the West African Ebola outbreak countries by the world media created fear amongst international travellers and Nigerians alike. With the outbreak having occurred in Lagos, with a population bigger than that of Guinea, Liberia and Sierra Leone combined, led world authorities such as the World Health Organisation (WHO) and the American Centre for Disease Control (CDC) to express concerns that the Nigerian outbreak could result in a severe and dramatic spread of the disease. The outbreak of Ebola in Nigeria had disastrous effects on the economy at large and on the hospitality sector in particular. For the hotel industry impact was immediate and severe. Nigeria successfully contained and eradicated Ebola, and was declared “Ebola free” in September by the Federal Minister of Health, with the WHO announcing that Nigeria was Ebola free on 20 October, 42 days after the last known case was successfully treated.

The Nigerian economy also suffered as a result of the low oil prices, dwindling government resources and a sharp decline in the value of the Naira. The Naira's slide against the US dollar reached a new low during the year. The Central Bank of Nigeria spent more than US\$ 4 billion in the last quarter of 2014 to prop up the currency and prevent faster depreciation. As the oil price and production volumes continued to decrease, Nigeria's international reserves depleted and net debt levels increased causing a severe liquidity problem for the Federal Government.

There are no indications that liquidity will improve in the short term and it is to be expected that this may impact many sectors of the economy, including the hospitality and leisure industry. Over the short and medium-terms, new infrastructure projects are expected to be delayed and any further declines in the global price of oil or continued weakening of the Naira will jeopardise infrastructural development.

The Nigerian economic growth is projected to reduce from 6.3 percent in 2014 to 4.8 percent in 2015. The International Monetary Fund (IMF) has urged for strong reforms to steady the economy, saying that four to five percent growth would still represent a solid economic outcome in the face of the very large external shock in global oil prices.

The hospitality and gaming services on offer at the Federal Palace Hotel & Casino were disrupted at the end of January by an unprocedural work stoppage. The work stoppage was to obtain union recognition. The disruption lasted six days. Another brief unprocedural work stoppage took place at the beginning of June. Due to the high risk to the hotel property and to guest safety, the business operations were curtailed and the guests were evacuated to other hotels on both occasions.

During the year under review, the most salient political development was the decision to postpone the presidential elections and the actual presidential election. The election date was postponed until 28 March in order to allow the security services ‘more time’ to address the Boko Haram insurgency in the northeast of the country. Initially the delay in Nigeria's presidential election had raised concerns in the international community and caused a lull in business activities. During the period of the delay and the run up to the elections, the hotel occupancies were at depressed levels.

Presidential candidate Muhammadu Buhari was declared the winner of presidential elections on 31 March, and setting the stage for the first transfer of power from the PDP since the end of military rule 16 years ago. President Buhari won 55 percent of votes cast in all 36 states and the Federal Capital Territory (FCT).

The Depot and Petroleum Products Marketers Association (DAPPMA) dispute with the Federal Government over the payment of the fuel subsidy caused severe pre-election fuel shortages throughout the country. The fuel subsidy uncertainty and shortage of supply lasted until June. The Association cited the lack of payments from government had prevented marketers from importing petroleum products. The scarcity of aviation fuel caused major disruption, not only to the passengers in terms of flight delays and cancellations but as well the financial loss for airlines and service providers in the sector, including hotels. Domestic airlines slashed scheduled daily flights by more than 70 percent owing to scarcity of aviation fuel. International flights were diverted to refuel in neighbouring countries, adding hours on to the flying time to or from Nigeria. Travel warnings were issued to international travellers to avoid travel to Nigeria during the fuel shortage. The epileptic electricity supply placed a heavy reliance on the hotel to use diesel power generators for electricity. The fuel shortage could have had a disastrous impact on the hotel operations if mitigating factors had not been implemented to conserve the hotel's fuel reserves. Other major organisations including banks and telecommunication companies were unable to render full service to their clients. During the fuel scarcity, hotel occupancies were at levels lower than those previously experienced during the Ebola crisis.

The security situation was once again dominated by the Boko Haram insurgency and constitutes the largest threat to the stability of the country. Despite successes against Boko Haram by security forces, sporadic attacks by Boko Haram continue. The incidents of attacks by Boko Haram throughout the country had declined after a multinational assault was launched against the group but a recent surge in Boko Haram activity has seen the terror group revert to its strategy of large scale suicide bombings and guerrilla warfare. Militant attacks focused on vulnerable villages, open areas where people gather, such as markets, mosques and churches. Recurring bomb attacks in Maiduguri and other cities in northeast Nigeria are a reminder that Boko Haram has not been dismantled, and that the group still poses a serious threat to the communities in that region. The continued terrorism threat in the region is still impacting on the Nigerian economy at large and is a distraction for further investment.

COMPANY PERFORMANCE

The Company's revenue for the financial year ended 30 June 2015 declined by 5.2% to N3.2 billion. Despite the reduced revenue, the operating loss decreased by 70.4% in the face of the difficult trading conditions caused by the socio-economic factors noted above, as well as increased competition in the sector. The reduced operating loss can be attributed to strict cost controls and lower energy costs.

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 16.2% in a competitive market and was not affected by the macro factors affecting the Nigerian economy. During the Ebola crisis the casino was deemed to be a safe haven for night time entertainment. The Casino's slots revenue grew significantly, which offset the decrease in revenue from table games. The gross profit increased by 15.7%. Although unlicensed casinos continue to operate in the Victoria Island/Ikoyi/Lekki axis and provide competition, Federal Palace Casino remains the pre-eminent casino and market leader in Nigeria.

Hotel revenue decreased 20.4% from the previous year due to lower room occupancy and average room rate, and significantly reduced food and beverage revenue. The reduced hospitality revenue were directly attributable to the socio-economic factors noted above, and resulted in a decrease in gross profit of 26.4%.

Indirect costs decreased by 13.2% by applying strict cost controls.

The Company incurred a comprehensive loss of N2,642 million after interest and tax. The loss included an unrealised loss on shareholders loans of N2,223 million, in comparison with an unrealised foreign exchange gain of N1 million in the previous year.

DEVELOPMENT PROJECTS

No major development projects were undertaken at the Federal Palace complex during the financial year.

DELISTING OF THE COMPANY

The Company received a notification from the Nigerian Stock Exchange (NSE) on 1 July 2015 of its intention to delist the Company owing to TCN not complying with the free float requirements of the NSE. This has occurred despite several attempts made by TCN to address the free float deficiency status.

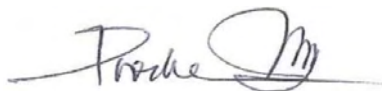
Given the above, the directors assent to the intention of the NSE to commence the process to delist TCN from the NSE. The directors await further instructions from the NSE on the timing of the delisting. The Company's shareholders will be informed accordingly.

FUTURE OUTLOOK

The economy remains subdued. The high level of uncertainty will remain until President Buhari has appointed his ministers, and provided direction in terms of policies. Low oil prices are forecast to continue which will limit government's ability to stimulate the economy. Against this backdrop, the hospitality industry continues to see more hotel rooms in the marketplace with continued downwards pressure on rates. Three new international brands, the Hilton, Marriott and Hyatt are expected to enter the Lagos market in the near future.

Gaming revenue is expected to grow and may soon be competing in a more competitive environment. The Federal Palace Casino continues to experience competition from unlicensed casinos. New casino developments in Lagos are expected to commence with operations in the 2015 calendar year. Strategies to mitigate customer migration to the new casinos are in place. The Federal Palace Casino remains committed to leading the market by employing the best technology and ever evolving table games and enticing promotional activities.

The Federal Palace Hotel & Casino has maintained the high operating standards which it has become known for. The beautiful gardens and grounds have given the Federal Palace an unattainable distinction above other hotels on Victoria Island and together with the vigorous maintenance and housekeeping routines, the hotel remains a popular choice for distinguished hotel and casino guests.



Goodie M Ibru, OON

Chairman

FRC/2013/NIM/0000003510

Directors' Report

For the year ended 30 June 2015

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 30 June 2015.

LEGAL FORM & PRINCIPAL ACTIVITIES

The Company was incorporated in Nigeria as a private company on 10 April 1964 and was converted to a public 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:

	2015 N'000	2014 N'000
Revenue	3,209,322	3,386,066
Loss before taxation	(2,642,326)	(602,547)
Total comprehensive income for the year	(2,642,326)	(602,547)

PROPERTY, PLANT AND EQUIPMENT

New capital work in progress during the year amounted to ₦113 million. Completed capital work in progress transferred to property, plant and equipment during the year totalled ₦121 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 year under review, and no dividend is proposed. (2014: Nil).

RETIREMENT OF DIRECTORS BY ROTATION

In accordance with the articles of association of the Company, Senator Felix O. Ibru, CON and Mr. D. R. Mokhobo 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 30 June 2015, the following shareholders held more than 5% of the issued share capital of the Company.

	No. of shares	%
Sun International Limited	1,108,138,647	49.33
Associated Ventures International Limited	419,408,169	18.68
Oma Investments Limited	405,614,547	18.06
Ikeja Hotels Plc	273,529,085	12.18

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 30 June 2015, are as follows:

	Number of shares held	
	Direct	Indirect
Mr. Goodie M Ibru, OON (Note 1)	-	419,408,169
Mr. Yakubu A Disu	110,000	-
Senator Felix O, Ibru, CON	9,114,421	-
Sir Richard C Hawkins Bt.	-	-
Mr. Anthony M Leeming	-	-
Mr. David R Mokhobo	-	-

Note 1 – Held through Ikeja Hotel Plc and Associated Ventures International Limited.

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, CAP C20, LFN 2004 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 six 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.

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

Mr. Goodie M Ibru, OON (Chairman)
 Mr. Yakubu A Disu
 Senator Felix O Ibru, CON
 Sir Richard C Hawkins Bt.
 Mr. Anthony M Leeming
 Mr. David R Mokhobo

The board met four times during the financial year (on 18 September 2014, 27 November 2014, 12 February 2015 and 21 May 2015). In accordance with Section 258(2) of the Companies and Allied Matters Act, CAP C20 LFN 2004, the record of directors' attendance at board meetings held during the financial year under review is set out below:

Name	No. attended
Mr. Goodie M Ibru	3
Mr. Yakubu A Disu	4
Senator Felix O Ibru	4
Sir. Richard C Hawkings Bt.	4
Mr. Anthony M Leeming	3
Mr. David R Mokhobo	4

– **Audit Committee**

In accordance with Section 359(3) of the Companies and Allied Matters Act, CAP C20, LFN 2004, 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 359(6) of the Companies and Allied Matters Act, CAP C20, LFN 2004 and according to its approved terms of reference. During the financial year under review, the audit committee members were comprised as follows:

- *Representing the Shareholders:*
 Mr. Bolaji O Banjo (Chairman)
 Chief Victor CN Oyolu
 Mrs. Temilade F Durojaiye (resigned 28 November 2014)
 Mr. Peter A Soares (appointed 28 November 2014)
- *Representing the board of directors:*
 Mr. Yakubu A Disu
 Mr. David R Mokhobo

The Audit Committee met four times during the financial year. The number of meetings attended by each member is indicated below:

Name	No. attended
Mr Bolaji O Banjo	4
Chief Victor C N Oyolu	3
My Yakubu A Disu	2
Mrs Temilade F Durojaiye	2
Mr. Peter A Soares	2
Mr David R Mokhobo	4

– **Other Committees**

In addition to the Audit Committee, the board has two other committees, namely a Finance Committee and a Capital Projects Committee. These committees operate according to approved terms of reference. The composition of the committees is as follows:

- Finance Committee:
 Mr. Yakubu A Disu (Chairman)
 Sir Richard C Hawkins Bt.
 Mr. David R Mokhobo

The Finance Committee did not meet during the financial year as the financial issues were adequately dealt with by the board of directors.

- Capital Projects Committee:
 Mr. Yakubu A Disu (Chairman)
 Senator Felix O Ibru
 Sir Richard C Hawkins Bt.
 Mr. David R Mokhobo

The capital projects committee did not meet during the financial year as there were no significant capital projects to consider.

Internal Audit

The internal audit function is performed by the internal audit department of the Company's management company, Sun International Management 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 risk committee, which is overseen by the board of directors of the Company. The 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 of matters that can be delegated to Sun International Management Limited and the Company's executive management, and those matters reserved for the board.

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. 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 interest in new contracts deliberated upon during the period under review. Further information on directors' interests in contracts entered into in the current and prior years is provided in note 25 to the annual financial statements.

NSE Policy requirements

The Company has developed a Complaints Management Policy Framework in compliance with the Securities Exchange Commission guideline. Refer copy enclosed. The Company's Security Trading Policy guiding its related parties in compliance with section 14 of the NSE Amended Rules is in the final stages of completion.

MANAGEMENT, TECHNICAL AND SERVICE AGREEMENTS

The Company has:

- (a) an operating management agreement with Sun International Management Limited for the management of the Federal Palace Hotel & Casino. The agreement has been approved by the National Office for Technical Acquisition and Promotion;
- (b) a development management and technical service agreement with Sun International Management Limited for the provision of technical services to the Company. The agreement has been approved by the National Office for Technical Acquisition and Promotion; and
- (c) an agreement with Ikeja Hotel Plc to provide support services to the Company.

DELISTING FROM THE NIGERIAN STOCK EXCHANGE

On 1 July 2015, 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 the Company will engage with the NSE to complete the process.

EMPLOYMENT AND EMPLOYEES

(a) Employment of physically challenged persons

The Company had four (4) physically challenged employees as at 30 June 2015 (2014: 4) and 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

The Company requires all staff to join 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.

DONATIONS

The Company did not make any donations or gifts in the year (2014: Nil). In compliance with Section 38(2) of the Companies and Allied Matters Act, CAP C20, LFN 2004, the Company did not make any donation or gift to any political party, political association or for any political purpose during the 2015 financial year (2014: nil).

AUDITORS

Messrs. KPMG Professional Services have indicated their willingness to continue in office as independent auditors of the Company in accordance with Section 357 (2) of the Companies and Allied Matters Act, CAP C20, LFN 2004.

By Order of the Board



Mr. TE Netufo

For IHL Services Limited
(FRC/2013/ICAN/00000004775)
Company Secretary
8 October 2015

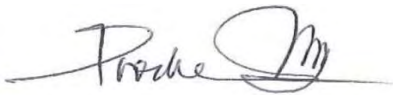
Statement of Directors' Responsibilities
for the year ended 30 June 2015

The directors accept responsibility for the preparation of the annual financial statements set out on pages 17 to 50 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 of Nigeria 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 of Nigeria 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.

The directors have made an assessment of the Company's ability to continue to trade despite being technically insolvent. The directors have no reason to believe the Company will not remain liquid and able to meet its obligations as they become due and payable in the year ahead with the support of its majority shareholders. The directors will continue to review the liquidity position of the Company on an annual basis.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:



Mr. Goodie M Ibru OON
FRC/2013/NIM/00000003510

8 October 2015



Mr. Yakubu Disu
FRC/2013/NIM/00000004982

8 October 2015

Report of the Audit Committee

For the year ended 30 June 2015

In compliance with Section 359 (6) of the Companies and Allied Matters Act, CAP C20 LFN 2004, we have reviewed the Auditors' Report for the year ended 30 June 2015. 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 30 June 2015 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. The independent financial advisor has concluded that with the exception of rental services which have not been charged for mostly due to litigation, 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 Audit Committee is in agreement with this opinion.

The Independent Auditors 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. Bolaji B Banjo
(FRC/2013/CIN/00000004669)
Chairman, Audit Committee

Members of the Committee:

Representing the shareholders:

Mr. Bolaji B Banjo, (Chairman)

Chief Victor C N Oyolu

Mr. Peter Akinola Soares

Representing the board of directors:

Mr. Yakubu Disu

Mr. David R. Mokhobo



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 Bishop Abovade Cole Street
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 PMB 40014, Falomo
 Lagos

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of **The Tourist Company of Nigeria Plc** ("the Company"), which comprise the statement of financial position as at 30 June, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 17 to 50.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is

sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of **The Tourist Company of Nigeria Plc** ("the Company") as at 30 June, 2015, and of the Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 31 in the financial statements which describes that the Company incurred a net loss of ₦2.6 billion during the year ended 30 June 2015 and, as of that date, the Company's total liabilities exceeded its total assets by ₦1.4 billion. These conditions, along with other matters as set forth in Note 30 (d) to the financial statements which describes the uncertainty related to the outcome of the lawsuit filed against the Company by a shareholder and a related party, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Report on Other Legal and Regulatory Requirements *Compliance with the requirements of Schedule 6 of the Companies and Allied Matters Act of Nigeria*

In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books and the statement of financial position and the statement of comprehensive income are in agreement with the books of account.

Signed: 

Goodluck C. Obi, FCA
 FRC/2012/ICAN/00000000442
 For: KPMG Professional Services
 Chartered Accountants
 8 October 2015
 Lagos, Nigeria

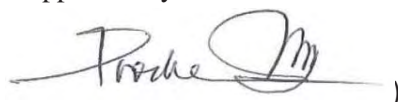


Statement of Financial Position

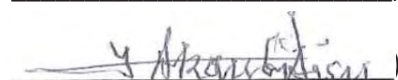
As at 30 June

	Notes	2015 N'000	2014 N'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	11(a)	8,898,989	9,306,452
Intangible assets	12	21,497	35,558
Tax assets	13	89,854	72,129
Total non-current assets		<u>9,010,340</u>	<u>9,414,139</u>
Current Assets			
Inventories	14	69,933	86,123
Trade and other receivables	15	206,320	293,929
Prepayments	16	100,744	43,480
Cash and cash equivalents	21	998,888	760,217
Total current assets		<u>1,375,885</u>	<u>1,183,749</u>
Total assets		<u><u>10,386,225</u></u>	<u><u>10,597,888</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital	17	1,123,220	1,123,220
Share premium	17	4,132,763	4,132,763
Accumulated loss		(6,694,456)	(4,052,130)
Total Equity		<u>(1,438,473)</u>	<u>1,203,853</u>
NON- CURRENT LIABILITIES			
Borrowings	18(a)	10,853,215	8,158,540
Total non- current liabilities		<u>10,853,215</u>	<u>8,158,540</u>
Current liabilities			
Trade and other payables	20(a)	971,483	1,235,495
Total current liabilities		<u>971,483</u>	<u>1,235,495</u>
Total liabilities		<u>11,824,698</u>	<u>9,394,035</u>
Total equity and liabilities		<u><u>10,386,225</u></u>	<u><u>10,597,888</u></u>

Approved by the Board of Directors on 8 October 2015 and signed on its behalf by:


_____)

Mr. Goodie M Ibru; (Chairman)
FRC/2013/NIM/00000003510

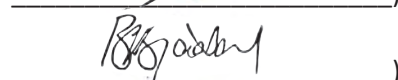

_____)

Mr. Yakubu Disu; (Director)
FRC/2013/NIM/00000004982

Additionally certified by;


_____)

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


_____)

Mr. Bjorn Bjaaland (Financial Manager)
FRC/2013/NIM/00000008950

The accompanying notes on pages 21 to 50 form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June

	Notes	2015 N' 000	2014 N' 000
Revenue			
-Gaming		1,630,638	1,402,849
-Hospitality		1,578,684	1,983,217
		<u>3,209,322</u>	<u>3,386,066</u>
Expenditure			
Amortisation of intangible asset	12	(8,458)	(11,323)
Consumables and services	8(b)	(526,723)	(519,606)
Depreciation of property, plant and equipment	11(a)	(498,177)	(601,893)
Employee costs	6(a)	(959,929)	(941,392)
Management and support fees	24 (c)	(179,659)	(179,402)
Promotional and marketing costs		(63,194)	(62,272)
Property and administrative costs	8(c)	(1,023,428)	(1,239,792)
		<u>3,259,568</u>	<u>3,555,680</u>
Operating loss		<u>(50,246)</u>	<u>(169,614)</u>
Finance income	7(a)	428	317
Finance costs	7(b)	(2,592,508)	(433,250)
Loss before taxation	8	<u>(2,642,326)</u>	<u>(602,547)</u>
Taxation	9	-	-
Loss for the year		<u>(2,642,326)</u>	<u>(602,547)</u>
Total comprehensive income for the year		<u><u>(2,642,326)</u></u>	<u><u>(602,547)</u></u>
Loss per share (kobo)			
Basic loss per share	10	(118)	(27)
Diluted loss per share	10	(118)	(27)

The accompanying notes on pages 21 to 50 form an integral part of these financial statements.

Statement of Changes in Equity

Attributable to equity holders of the Company

	<u>Share capital</u> N' 000	<u>Share premium</u> N' 000	<u>Accumulated loss</u> N' 000	<u>Total equity</u> N' 000
Balance at 1 July 2013	1,123,220	4,132,763	(3,449,583)	1,806,400
Total comprehensive income for the year	-	-	(602,547)	(602,547)
Balance at 30 June 2014	<u>1,123,220</u>	<u>4,132,763</u>	<u>(4,052,130)</u>	<u>1,203,853</u>
Balance at 1 July 2014	1,123,220	4,132,763	(4,052,130)	1,203,853
Total comprehensive income for the year	-	-	(2,642,326)	(2,642,326)
Balance at 30 June 2015	<u>1,123,220</u>	<u>4,132,763</u>	<u>(6,694,456)</u>	<u>(1,438,473)</u>

The accompanying notes on pages 21 to 50 form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 30 June

	Notes	2015 N' 000	2014 N' 000
Cash flows from operating activities:			
(Loss)/profit for the year		(2,642,326)	(602,547)
Adjustments for:			
Depreciation	11(a)	498,177	601,893
Amortisation	12	8,458	11,323
Operating equipment usage	11(a)	18,055	22,040
Net finance costs	7(b)	2,592,080	432,933
Write off of intangible assets		5,603	-
Write off of property, plant and equipment		18,398	-
		<u>498,445</u>	<u>465,642</u>
Changes in:			
Inventories		16,190	(6,539)
Trade and other receivables		87,609	17,911
Tax assets		(17,725)	(7,137)
Prepayments		(57,264)	121,353
Trade and other payables	20(b)	<u>(107,093)</u>	<u>(264,511)</u>
Cash generated from operating activities		420,162	326,720
Value Added Tax (VAT) paid		(57,001)	(62,262)
Net cash generated from operating activities		<u>363,161</u>	<u>264,458</u>
Cash flow from investing activities			
Interest income	7(a)	428	317
Acquisition of property, plant and equipment	11(d)	(124,919)	(319,806)
Acquisition of intangible assets	12	-	(2,910)
Net cash used in investing activities		<u>(124,491)</u>	<u>(322,399)</u>
Net increase/(decrease) in cash and cash equivalents		<u>238,670</u>	<u>(57,942)</u>
Cash and cash equivalents 1 July		760,217	818,159
Cash and cash equivalents 30 June		<u><u>998,888</u></u>	<u><u>760,217</u></u>

The accompanying notes on pages 21 to 50 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 30 June 2015

1. REPORTING ENTITY

The Tourist Company of Nigeria Plc is a company domiciled in Nigeria. The address of the Company's registered office is IHL Services Limited, 84 Opedi Road, Ikeja, 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) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies and Allied Matters Act and the Financial Reporting Council Act, 2011. The financial statements were authorised for issue by the board of directors on 8 October 2015.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention except for certain financial instruments initially measured at fair value.

(c) Critical accounting estimates and judgements

The preparation of the financial statements in conformity with IFRS 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 (g) 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 28 - Contingencies (including taxation)**

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

(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. CHANGES IN ACCOUNTING POLICIES

The Company has consistently applied the accounting policies set out in Note 4 to all periods presented in these financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

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

	Page
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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.

(b) Property, plant and equipment

I. Recognition and measurement

Items of property, plant and equipment are stated at cost 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 under construction 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.

Assets held under finance lease are depreciated over their expected useful lives on the same basis as the owned assets or, where shorter, the term of the relevant lease.

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 so as 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 developed over the useful life. The principal useful lives over which the assets are depreciated are as follows:

Leasehold land	–	Over the lease period
Buildings and Infrastructure		
- Casino and hotel premises	–	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	–	7 years
Furniture and fittings	–	10 years
Casino equipment	–	10 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.

Usage of operating equipment (which includes uniforms, 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.

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 comprehensive income during the financial period in which they are incurred.

III. Borrowing costs

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

IV. Derecognition

The carrying amount of an item or PPE shall be 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 comprehensive income.

(c) Intangible assets

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 comprehensive income during the financial period in which they are incurred.

Derecognition

The carrying amount of an item shall be 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 comprehensive income.

(d) Impairment of 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.

(e) 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.

(f) Cash and cash equivalents

Cash and cash equivalents are classified as loans and receivables and subsequently 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.

(g) Financial instruments

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

Financial instruments are recognised initially at fair value plus, for financial instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition, financial instruments are measured as described below.

I. Financial Assets

The classification of financial assets depends on management's intention. Management determines the classification of its financial assets at initial recognition. The financial assets carried at the reporting date are classified as 'Loans and receivables'.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as non-current assets unless receipt is anticipated within 12 months, in which case the amounts are included in current assets. Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, receivables are carried at amortised cost using the effective interest method, less any impairment losses.

Derecognition of financial assets and impairment of financial assets

Significant financial difficulties of the counterparty and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised as profit or loss. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss in the statement of profit or loss and other comprehensive income.

II. Financial liabilities

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

Financial liabilities are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise borrowings and accounts payable and accruals.

Derecognition of financial liabilities

The Company de-recognises a financial liability when the contractual obligations are discharged, cancelled or expire.

(h) Share capital

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 in the share premium reserve.

(i) Current and deferred tax

Taxation for the period comprises current and deferred tax. Taxation is recognised in profit or loss in the statement of 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, LFN 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 LFN 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.

(j) Leased assets

Leases of assets where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at commencement and are measured at the lower of the fair value of the leased asset and the present value of minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding lease obligations, net of finance charges, are included in borrowings. The interest element of the lease payment is charged to profit or loss over the lease period. The assets acquired under finance leasing contracts are depreciated over the shorter of the useful life of the asset, or the lease period. Where a lease has an option to be renewed, the renewal period is considered when the period over which the asset will be depreciated is determined.

Leases of assets under which substantially all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases and are not recognised in the Company's statement of financial position. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of a penalty is recognised as an expense in the period in which termination takes place.

(k) 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 under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

The Company operates a contributory scheme in line with the Pension Reform Act, 2004. 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.

(l) 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.

(m) 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.

(n) 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.

(o) Revenue

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Company's activities. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of revenue and associated costs incurred or to be incurred can be measured reliably.

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. 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.

(p) 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. 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.

(q) 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.

(r) 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.

(s) 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 or the entity directly or indirectly.

(t) Accounting policy developments

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

New standards and interpretations not yet adopted

At the date of the authorisation of the financial statements of the Company for the year ended 30 June 2015, the following standards, amendments to standards and interpretations were in issue but not yet effective. Those which may be relevant to the Company are set out below. The extent of the impact of these standards is yet to be determined. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

IFRS 9, "Financial Instruments" (2010). Effective date; 1 January 2018

On 24 July 2014, the IASB issued the final IFRS 9 Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 15, "Revenue from Contracts with Customers". Effective date; 1 January 2017

This standard replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfer of Assets from Customers and SIC-31 Revenue – Barter of Transactions Involving Advertising Services. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognised.

IAS 1, Amendments to IAS 1 (Disclosures initiative). Effective date; 1 January 2016

The amendments provide additional guidance on the application of materiality and aggregation when preparing financial statements.

IAS 16 and IAS 38, "Clarification of Acceptable Methods of Depreciation and Amortisation". Effective date; 1 January 2016

The amendments to IAS 16 Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

Standards and interpretations effective 30 June 2015

New IFRS standards and amendments to existing standards that become effective for annual periods commencing on or after 1 July 2014 have been applied in preparing these financial statements, resulting in additional disclosures but had no significant impact on the measurements of the Company's assets and liabilities. This new IFRS Standard and amendments to existing standards are as follows:

- Offsetting financial assets and financial liabilities (Amendments to IAS 32)
- Recoverable amount disclosure for non-financial assets (Amendments to IAS 36)
- IFRIC 21 Levies

5. 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.

6. EMPLOYEE COSTS

(a) Employee costs for the year comprises:

	2015 N'000	2014 N'000
Salaries, wages, bonuses and other benefits	740,164	734,021
Defined contribution pension fund costs	44,183	36,765
Other personnel costs	175,582	170,606
	959,929	941,392

(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:

			2015 Number	2014 Number
N	-	N		
0	-	200,000	4	0
200,001	-	400,000	14	15
400,001	-	600,000	14	102
600,001	-	800,000	210	140
800,001	-	1,000,000	15	62
1,000,001	-	above	160	126
			417	445

The number of full-time persons employed per function as at 30 June was as follows:

	2015 Number	2014 Number
Gaming	74	74
Hospitality	211	238
Administration and support services	132	133
	417	445

(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:

	2015 N'000	2014 N'000
Balance at beginning of the year	145	203
Charge for the year	44,183	22,008
Payments during the year	(40,238)	(22,066)
Balance as at end of the year	4,090	145

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:

	2015 N'000	2014 N'000
Executive directors	-	-
Non-executive directors	1,750	1,150
	1,750	1,150

The directors' remuneration shown above includes:

	2015 N'000	2014 N'000
Chairman's fees	200	200
Highest paid director	350	300

Other directors received emoluments in the following ranges;

			2015 Number	2014 Number
N	-	N		
0	-	100,000	-	-
100,001	-	Above	4	4
			4	4

7. FINANCE INCOME AND COSTS

(a) Finance income comprises:

	2015 N'000	2014 N'000
Interest income on bank balances	428	317
	<u>428</u>	<u>317</u>

(b) Finance costs comprise:

	2015 N'000	2014 N'000
Interest expense	467,630	409,791
Loss on foreign currency translation on borrowings	2,124,878	23,459
	<u>2,592,508</u>	<u>433,250</u>

8. LOSS BEFORE TAXATION

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

	2015 N'000	2014 N'000
Depreciation of property, plant and equipment (Note 11(a))	498,177	601,893
Amortisation of intangible assets (Note 12)	8,458	11,323
Operating lease charges - office equipment	11,682	11,232
Audit fees	19,215	16,700
Write off of intangible assets	5,603	-
Write off of property, plant and equipment	18,398	-
Employee costs (Note 6(a))	959,929	941,392
Loss on foreign exchange (Note 7(b))	2,124,878	23,459
Consumables and services (Note 8(b))	526,723	519,606
Property and administrative costs (Note 8(c))	1,023,428	1,239,792
Management and support fees (Notes 24(c))	179,659	179,402
	<u>179,659</u>	<u>179,402</u>

(b) Consumables and services comprise the following:

	2015 N'000	2014 N'000
Cost of sales - food & beverage	161,068	207,912
Amortisation of casino licence fees	110,000	120,000
Other operating expenditure	47,716	65,067
Card commission	21,015	16,489
General expenses	109,275	43,034
Other casino related expenses	77,649	67,104
	<u>526,723</u>	<u>519,606</u>

(c) Property and administrative costs comprise of the following:

	2015 N'000	2014 N'000
Power, fuel and other utilities	469,519	536,906
Card commission	20,959	37,529
Repairs and maintenance	74,728	115,748
Information technology and related expenses	69,182	51,395
Outsourced contracts	93,999	75,640
Professional fees	86,726	101,744
Bad debt expense	44,121	39,260
Other general expenses	164,194	281,570
	<u>1,023,428</u>	<u>1,239,792</u>

9. TAXATION

(a) *Income tax expense*

The Company's results when adjusted for tax purposes resulted in a nil assessable and taxable income. Accordingly, no provision has been made for income and tertiary education taxes for the year (2014: nil)

(b) In 2013, the Nigerian Investment Promotion Council (NIPC) granted the Company a Pioneer Status for a five year period with respect to the tourism and hospitality business of the Company, with a retrospective effective commencement production date of 1 January 2011.

The effective production date was certified by the Industrial Inspectorate Department of the Federal Ministry of Commerce and Industry on 28 May 2013. In accordance with the provision of the Industrial Development (Income Tax Relief) Act, the Company's profit attributable to the Pioneer line of business is therefore not liable to income taxes for the duration of the Pioneer period. Consequently there was no tax payable in current year.

(c) *Reconciliation of effective tax rate*

	2015	2015	2014	2014
		N'000		N'000
Loss from continuing operations		(2,642,326)		(602,547)
Taxation		-		-
Loss before tax		<u>(2,642,326)</u>		<u>(602,547)</u>
Income tax using the company's tax rate	30%	(792,698)	30%	(180,764)
Origination and reversal of temporary difference	-26%	685,515	-29%	176,467
Change in recognized deductible temporary differences	-4%	107,183	-1%	4,298
	<u>0%</u>	<u>-</u>	<u>0%</u>	<u>-</u>

10. LOSS PER SHARE

Basic loss per share is calculated by dividing the profit or 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

	2015	2014
Weighted number of shares	<u>2,246,437,472</u>	<u>2,246,437,472</u>
	Kobo	Kobo
Basic loss per share	<u>(118)</u>	<u>(27)</u>

11 PROPERTY, PLANT AND EQUIPMENT (PPE)

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

	Leasehold Land N'000	Buildings & Infrastructure N'000	Plant & Machinery N'000	Casino Equipment N'000	Hotel & Office Equipment N'000	Motor Vehicles N'000	Furniture & Fittings N'000	Operating Equipment N'000	Capital Work in Progress N'000	Total N'000
Deemed cost										
Balance at 1 July 2013	171,287	9,174,674	335,489	787,042	843,814	44,180	669,124	121,470	3,770	12,150,850
Additions	-	-	-	-	-	-	-	35,306	290,298	325,604
Transfers	-	17,383	57,286	102,523	80,011	14,871	4,091	-	(276,165)	-
Operating equipment usage	-	-	-	-	-	-	-	(22,040)	-	(22,040)
Write-Offs	-	(5,972)	(29,219)	-	(179,163)	-	(42,583)	-	-	(256,937)
Balance at 30 June 2014	171,287	9,186,085	363,556	889,565	744,662	59,051	630,632	134,736	17,903	12,197,477
Balance at 1 July 2014	171,287	9,186,085	363,556	889,565	744,662	59,051	630,632	134,736	17,903	12,197,477
Additions	-	-	-	-	-	-	-	14,114	113,053	127,167
Transfers	-	2,567	67,505	1,957	48,431	-	58	-	(120,518)	0
Operating equipment usage	-	-	-	-	-	-	-	(18,055)	-	(18,055)
Write-Offs	-	(2,480)	(33,475)	(7,900)	(10,015)	-	(27,541)	-	-	(81,412)
Balance at 30 June 2015	171,287	9,186,172	397,586	883,622	783,078	59,051	603,149	130,796	10,438	12,225,177
Depreciation										
Balance at 1 July 2013	58,698	1,233,991	99,704	467,387	307,330	24,798	354,161	-	-	2,546,069
Depreciation for the year	2,546	296,045	63,780	65,774	94,282	20,936	58,530	-	-	601,893
Write-Offs	-	(5,972)	(29,219)	(179,163)	-	-	(42,583)	-	-	(256,937)
Balance at 30 June 2014	61,244	1,524,064	134,265	353,998	401,612	45,734	370,108	-	-	2,891,025
Balance at 1 July 2014	61,244	1,524,064	134,265	353,998	401,612	45,734	370,108	-	-	2,891,025
Depreciation for the year	2,567	222,986	48,677	89,650	70,995	1,565	61,738	-	-	498,177
Write-Offs	-	(498)	(27,255)	(5,606)	(6,837)	-	(22,819)	-	-	(63,014)
Balance at 30 June 2015	63,811	1,746,552	155,687	438,042	465,770	47,299	409,027	-	-	3,326,188
Carrying amounts										
At 1 July 2014	110,043	7,662,021	229,291	535,567	343,050	13,317	260,524	134,736	17,903	9,306,452
At 30 June 2015	107,476	7,439,620	241,899	445,580	317,308	11,752	194,122	130,796	10,438	8,898,989

(b) **Assets pledged on security**

There was no property, plant and equipment that was pledged as security for borrowings as at year end (2014: Nil).

(c) **Capital Commitments**

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

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

	2015	2014
	N'000	N'000
Additions (Note 11(a))	127,167	325,604
Accrued additions to PPE	(2,248)	(5,798)
PPE additions in statement of cash flows	124,919	319,806

(e) **Assets held on finance lease**

Included as part of property, plant and equipment is land held under finance lease arrangements for a minimum lease term of 99 years. The lease amounts were fully paid at the inception of the lease.

The classification of the lease of land as a finance lease is on the basis that the lease transfers substantially all of the risks and rewards of ownership incidental to ownership of the land to the Company.

(f) **Capital work in progress**

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

	2015	2014
	N'000	N'000
Building and infrastructure	365	17,383
Plant and machinery	74,350	67,322
Casino equipment	15	104,009
Motor Vehicles	-	14,531
Furniture and fittings	58	4,091
Hotel and office equipment	38,265	82,962
	113,053	290,298

No borrowing costs were capitalised during the acquisition of property, plant and equipment as additions were not financed through borrowings (2014: Nil)

(g) During the year, the Company reassessed the remaining useful lives of its property, plant and equipment. No changes were considered necessary.

12. INTANGIBLE ASSETS

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

	2015	2014
	N'000	N'000
Cost		
Balance at the beginning of the year	77,388	103,295
Additions	-	2,910
Disposals	(17,690)	(28,817)
Balance at the end of the year	59,698	77,388
Amortisation		
Balance at the beginning of the year	41,830	59,324
Amortisation for the year	8,458	11,323
Disposals	(12,087)	(28,817)
Balance at the end of the year	38,201	41,830
Carrying amounts		
Balance at 1 July	35,558	43,971
Balance at 30 June	21,497	35,558

13. TAX ASSETS

Other receivables comprises withholding tax credit notes as the Company has unutilised tax losses and capital allowances which are not expected to be utilised in the next 12 months.

14. INVENTORIES

	2015	2014
	N'000	N'000
Merchandise	1,662	1,676
Consumables and hotel stock	68,271	84,447
	69,933	86,123

The value of food and beverage consumables included in consumables and services as cost of sale amounted to ₦161.068 million (2014: ₦207.912 million).

15. TRADE AND OTHER RECEIVABLES

	2015	2014
	N'000	N'000
<i>Financial instruments</i>		
Trade receivables	214,424	380,575
Less: impairment	(114,803)	(104,758)
Net trade receivables	99,621	275,817
Credit card receivables	18,568	18,112
<i>Non-financial instruments</i>		
Other receivables	88,131	-
	206,320	293,929

Included in the carrying amount of trade receivables are amounts due from related parties (refer Note 25(b)(iii)).

The fair values of trade and other receivables approximate their carrying value.

The Company has recognised an allowance of ₦114.803 million (2014: ₦104.758 million) for the impairment of its trade receivables during the year ended 30 June 2015. The creation and usage of the allowance for impaired receivables have been included in 'Property and administrative costs' in the statement of profit or loss and other comprehensive income. Other receivables are expected to be fully recoverable. The trade receivables which are fully performing and past due but not impaired relate to customers that have a good track record with the Company in terms of recoverability.

16. PREPAYMENTS

	2015	2014
	N'000	N'000
Insurance prepayment	14,399	12,210
Licenses prepayment	12,830	19,171
General prepayment	9,033	12,099
Gaming Licences prepayment	50,000	-
Service Contracts prepayment	14,482	-
	100,744	43,480

17. SHARE CAPITAL AND PREMIUM

Share Capital

(i) Authorised ordinary shares of 50K each

	2015	2014
	N'000	N'000
Balance at the beginning of the year	2,000,000	2,000,000
Balance at the end of the year	2,000,000	2,000,000

4,000,000,000 ordinary shares of 50 Kobo each at 30 June 2015 (2014: 4,000,000,000).

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

	2015	2014
	N'000	N'000
Balance at the beginning of the year	1,123,220	1,123,220
Balance at the end of the year	1,123,220	1,123,220

2,246,437,472 ordinary shares of 50 Kobo each at 30 June 2015 (2014: 2,246,437,472).

All issued shares are fully paid.

Holder 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.

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

	2015	2014
	N'000	N'000
Share Premium	4,132,763	4,132,763

18. BORROWINGS

(a) Non-current

	2015	2014
	N'000	N'000
Term facilities (Unsecured)	10,853,215	8,158,540
Total borrowings	10,853,215	8,158,540

(b) Terms and conditions of outstanding loans are as follows:

	US\$'000	N'000	N'000
	2015	2015	2014
Non-current, unsecured			
Shareholders:			
<i>Ikeja Hotel Plc</i>			
At beginning of the year	17,250	2,677,809	2,547,688
Interest capitalised	882	154,767	130,250
Exchange difference	-	729,686	(129)
At end of year	<u>18,132</u>	<u>3,562,262</u>	<u>2,677,809</u>
<i>Sun International Limited</i>			
At beginning of the year	18,369	2,851,750	2,713,435
Interest capitalised	942	164,820	138,867
Exchange difference	-	777,082	(552)
At end of year	<u>19,311</u>	<u>3,793,652</u>	<u>2,851,750</u>
Total shareholders	<u>37,443</u>	<u>7,355,914</u>	<u>5,529,559</u>
Other:			
<i>Omamo Investment Corporation</i>			
At beginning of the year	16,936	2,628,981	2,501,232
Interest capitalised	867	151,944	127,876
Exchange difference	-	716,376	(127)
Balance 30 June	<u>17,803</u>	<u>3,497,301</u>	<u>2,628,981</u>
	<u>55,246</u>	<u>10,853,215</u>	<u>8,158,540</u>

The interest rate of 5% (2014: 5%) has been set on the Company's fixed borrowings. Of these fixed borrowings 100% (2014:100%) were for periods longer than 12 months. The Company had no unutilised borrowing facilities at 30 June 2015 (2014: Nil).

Terms of the above loans:

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

In terms of its articles of association, apart from temporary loans in the ordinary course of business, the Company's borrowings shall not, without the previous sanction of the Company in general meeting, exceed the sum equivalent to one and half times the aggregate of its paid-up share capital and reserves.

The loan from Omamo Corporation is currently the subject to a legal dispute (Note 30).

19. DEFERRED TAX

- (a) Movement in temporary differences during the year

	2015	2014
	N'000	N'000
Balance at beginning of year	-	-
Recognised in statement of comprehensive income (Note 9(a))	-	-
Balance at end of year	<u>-</u>	<u>-</u>

(b) Unrecognised deferred tax assets

The Company has a net deferred tax asset amounting to ₦1.78 billion as at 30 June 2015 (2014: ₦1.05 billion), arising mainly from unutilised capital allowances and tax losses 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 timing of the amount and reversal of these differences.

20. TRADE AND OTHER PAYABLES

	2015	2014
	₦'000	₦'000
(a) Trade and other payables		
<i>Financial instruments</i>		
Trade payables	59,408	104,496
Other payables	384,168	288,746
Amount due to related parties (Note 25(b)(i)&(ii))	110,308	348,128
Accrued expenses	206,342	289,435
Casino loyalty programme liability	20,949	19,787
	781,175	1,050,592
<i>Non-financial instruments</i>		
Employee related accruals	126,057	81,777
Other payables	50,436	75,889
Deposits received	13,815	27,237
	971,483	1,235,495
(b) Trade and other payables in statement of cash flows		
	2015	2014
	₦'000	₦'000
Trade and other payables movement	264,012	283,910
Value Added Tax (VAT) paid	(57,429)	(62,262)
Realised exchange differences	(101,739)	37,065
Accrued additions to PPE (Note 11(d))	2,248	5,798
Trade and other payables in statement of cash flows	107,093	264,511

21. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	2015	2014
	₦'000	₦'000
Cash at bank	980,607	736,857
Cash on hand	18,281	23,360
Cash and cash equivalents	998,888	760,217

22. CAPITAL EXPENDITURE COMMITMENTS

	2015	2014
	₦'000	₦'000
Capital commitments		
Contracted	66,002	24,252
Authorised by the board of directors but not contracted	478,592	284,799
	544,594	309,051
To be spent in the forthcoming financial year	544,594	309,051
To be spent thereafter	2,745,407	516,090
	3,290,001	825,141

Future capital expenditure will be funded by internally generated cash flows and debt facilities.

23. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the future minimum lease payments under the operating lease are payable as follows:

	2015	2014
	N'000	N'000
Less than one year	6,614	13,028
Between one and five years	336	4,560
	6,950	17,588

The Company leases office equipment under operating leases. The leases typically run for a period of one to three years, with an option to renew the lease after that date. Lease rentals are paid on a monthly basis and included in operating expenses and as such there are future lease payment payable in relation to this lease. During the year ended 30 June 2015, an amount of N11.682 million (2014:N11.232 million) was recognized as an expense in profit or loss in respect of operating leases.

24. MANAGEMENT AND SUPPORT FEES

(a) Operating services agreement

The Company has an agreement with Sun International Management Limited (a subsidiary of Sun International Limited) until 30 September 2017 to manage the Company's business. In terms of this agreement, the Company is obligated to pay the following annual fees to Sun International Management Limited:

-Basic fee

A basic fee equal to 3% per annum of the gross revenue of the Company. This is exclusive of any taxes and is denominated and payable in South African Rands.

-Incentive fee

An incentive fee of 10% per annum of the adjusted net profit of the Company. This fee is exclusive of any taxes and is denominated and payable in South African Rands.

-Development, management and technical services fee

A fee of 2.5% per annum of the aggregate cost of new property development projects undertaken by the Company. This fee is exclusive of any taxes and is denominated and payable in South African Rands.

(b) Support services agreement

The Company has an agreement with Ikeja Hotel Plc to provide support services to the Company until 30 September 2017. In terms of this agreement, the Company is obligated to pay the following annual fees to Ikeja Hotel Plc as follows:

-Basic fee

A basic fee equal to 0.45% per annum of the gross revenue of the Company. This is exclusive of any taxes and is denominated and payable in Naira.

-Incentive fee

An incentive fee of 1.5% per annum of the adjusted net profit of the Company. This fee is exclusive of any taxes and is denominated and payable in Naira.

(c) Management and support fees

(based on the structure above)

	2015	2014
	N'000	N'000
<i>Sun International Management Limited</i>		
Basic fees	101,265	108,448
Incentive fees	54,960	47,554
<i>Ikeja Hotel Plc</i>		
Basic fees	15,190	16,267
Incentive fees	8,244	7,133
	179,659	179,402

25. RELATED PARTIES

(a) Ultimate holding company

The Company is a subsidiary of Sun International Limited incorporated in South Africa. Sun International Limited held 49.33% of the issued and fully paid share capital of the Company as at 30 June 2015 (2014: 49.33%).

(b) Related party transactions

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

	Value of goods and services supplied (to)/from the Company		Amount due (to)/from the Company	
	2015 N'000	2014 N'000	2015 N'000	2014 N'000
(i) Accounts payable				
<i>Sun International Management Limited</i>	(156,225)	(156,002)	(57,935)	(339,545)
Is a subsidiary of Sun International Limited, which is a shareholder in the Company. It has an operating service agreement with the Company (Note 24(a)).				
<i>Ikeja Hotel Plc</i>	(23,434)	(23,400)	(23,523)	(2,584)
Is a shareholder in the Company and is controlled by Goodie M. Ibru, OON, a director of the Company. It has a support service agreement with the Company (Note 24(b)).				
(ii) Other related party transactions include:				
<i>AVI Services Limited</i>	(78,437)	(75,542)	(5,313)	-
Is controlled by Goodie M. Ibru, OON, a director of the Company. It provides a staff transport service to the Company, operates a car hire business at the Hotel and rents offices from the Company.				
<i>GM Ibru & Co</i>	(11,336)	(41,278)	(11,257)	(6,000)
Is a firm of attorneys controlled by Goodie M. Ibru, OON, a director of the Company. It provides legal services to the Company and rents offices from the Company.				
<i>IHL Services Limited</i>	(4,618)	(4,192)	(12,281)	-
Is controlled by Goodie M. Ibru, OON, a director of the Company. It provides company secretarial services to the Company.				

Minet Nigeria Limited

Is controlled by Goodie M. Ibru, OON, a director of the Company.

It provides insurance broking services to the Company.

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 rents retail premises from the Company, for which no rental has been charged.

Estate of Late Dr Alex Ibru

A former director and indirect shareholder in the Company. The estate rents hotel penthouse premises from the Company, which is currently the subject of a legal dispute. No rental has been charged.

Guy Saries Limited

Is controlled by Goodie M. Ibru, OON, a director of the Company. It rents office premises from the Company, for which no rental has been charged.

(60,830) (81,201) - -

- - - -

- - - -

- - - -

(334,880) (381,615) (110,308) (348,128)

(iii) Accounts receivable (For hospitality services provided)

Sun International Management Limited	2,979	2,982	678	231
Ikeja Hotel Plc	13,279	15,901	14,101	1,123
	<u>16,258</u>	<u>18,883</u>	<u>14,779</u>	<u>1,354</u>

(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 6(d) for amounts paid to directors of the Company during the year.

Key management personnel compensation

Key management personnel compensation comprised:

	<u>2015</u>	<u>2014</u>
	N'000	N'000
Short-term employee benefits	107,697	128,560
Post-employment benefit	11,121	12,384
	<u>118,818</u>	<u>140,944</u>

26. 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.

	Gaming		Hospitality		Unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue								
Total revenue for reportable segments	1,630,638	1,402,849	1,738,224	2,222,893	-	-	3,368,862	3,625,742
Elimination of inter-segment revenue *	-	-	(159,540)	(239,676)	-	-	(159,540)	(239,676)
Reportable segment revenue	<u>1,630,638</u>	<u>1,402,849</u>	<u>1,578,684</u>	<u>1,983,217</u>	<u>-</u>	<u>-</u>	<u>3,209,322</u>	<u>3,386,066</u>
Profit before tax								
Reportable segment revenue	1,630,638	1,402,849	1,578,684	1,983,217	-	-	3,209,322	3,386,066
Expenses	(636,532)	(645,406)	(618,951)	(679,756)	(1,656,990)	(1,856,978)	(2,912,473)	(3,182,140)
Elimination of inter-segment expenses	159,540	239,676	-	-	-	-	159,540	239,676
Depreciation and amortisation	-	-	-	-	(506,635)	(613,216)	(506,635)	(613,216)
Net Finance Costs	-	-	-	-	(2,592,080)	(432,933)	(2,592,080)	(432,933)
Loss before tax	<u>1,153,646</u>	<u>997,119</u>	<u>959,733</u>	<u>1,303,461</u>	<u>(4,755,705)</u>	<u>(2,903,127)</u>	<u>(2,642,326)</u>	<u>(602,547)</u>
Reportable segment assets					<u>10,386,225</u>	<u>10,597,888</u>	<u>10,386,225</u>	<u>10,597,888</u>
Reportable segment liabilities					<u>11,824,698</u>	<u>9,394,035</u>	<u>11,824,698</u>	<u>9,394,035</u>

Major customer

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.

27. FINANCIAL RISK MANAGEMENT

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

- Liquidity risk
- Credit risk
- Market risk
- Operational 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 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 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 Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc 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) and financial assets:

	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
30 June 2015	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<i>Financial liabilities</i>							
Borrowings	10,853,215	13,935,565	-	-	-	-	13,935,565
Trade payables	59,408	59,408	59,408	-	-	-	-
Other payables	384,168	384,168	9,336	374,832	-	-	-
Amounts due to related parties	110,308	110,308	110,308	-	-	-	-
Accrued expenses	206,342	206,342	206,342	-	-	-	-
Casino Loyalty Programme	20,949	20,949	20,949	-	-	-	-
	11,634,390	14,716,740	406,343	374,832	-	-	13,935,565
30 June 2014							
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<i>Financial liabilities</i>							
Borrowings	8,158,540	10,412,594	-	-	-	-	10,412,594
Trade payables	104,496	104,496	104,496	-	-	-	-
Other payables	288,746	288,746	-	288,746	-	-	-
Amounts due to related parties	348,128	348,128	348,128	-	-	-	-
Accrued expenses	289,435	289,435	289,435	-	-	-	-
Casino Loyalty Programme	19,787	19,787	19,787	-	-	-	-
	9,209,132	11,463,186	761,846	288,746	-	-	10,412,594

(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.

The Company has no significant concentrations of credit risk with respect to trade receivables, due to a widely dispersed customer base.

Exposure to credit risk

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

	Carrying amount	
	2015	2014
	N'000	N'000
Trade receivables (Note 15)	99,621	275,817
Cash and cash equivalents (Note 21)	980,607	736,857
	1,080,228	1,012,674

The Company's most significant customer accounts for ₦ 34million of the trade and receivables carrying amount at 30 June 2015 (2014: ₦ 90million).

The aging of trade receivables at the reporting date was:

	Gross	Impairment	Gross	Impairment
	2015	2015	2014	2014
	N'000	N'000	N'000	N'000
Not past due	19,726	-	159,823	-
Past due by 1 to 30 days	21,277	-	34,511	-
Past due by 31 to 60 days	17,657	-	18,989	-
Past due by 61 to 90 days	15,119	-	34,449	-
Past due by more than 91 days	140,645	(114,803)	132,803	(104,758)
	214,424	(114,803)	380,575	(104,758)

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

	2015	2014
	N'000	N'000
Balance at 1 July	104,758	65,509
Impairment loss recognised	10,045	39,249
Balance at 30 June	114,803	104,758

The impairment loss as at 30 June 2015 relates to several customers that are not expected to be able to pay their outstanding balances, mainly due to economic circumstances. The Company believes that the unimpaired amounts past due are still collectible, based on historic payment behaviour and extensive analyses of the underlying customers' credit ratings. The impairment loss is included in property and administrative cost in the statement of comprehensive income.

Based on historic default rates, the Company believes that, apart from the above, no additional impairment allowance is necessary in respect of trade receivables past due.

(c) Market risk

Market risk includes foreign currency risk, interest rate risk and 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.

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:

	2015	2014
	N'000	N'000
<i>Financial Assets</i>		
US Dollar (\$)	3,641	3,663
Euro (€)	264	61
Pound Sterling (£)	26	18
South African Rand (R)	10	17
<i>Financial liabilities</i>		
US Dollar (\$)	55,246	52,555
South African Rand	2,917	22,265

The following significant exchange rates applied during the year:

	2015		2014	
	Spot	Average	Spot	Average
US Dollar (\$) 1	196.45	175.33	155.23	155.25
Euro (€) 1	219.49	207.41	211.92	210.59
Pound Sterling (£) 1	308.72	275.28	264.56	252.44
South African Rand (R) 1	16.23	15.81	15.25	15.42

Foreign currency sensitivity

A 10% weakening in the Naira against the above foreign currency assets and liabilities at 30 June 2015 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 is performed on the same basis as at 30 June 2014:

	2015	2014
	N'000	N'000
Decrease in equity	1,011,908	791,023
Increase in loss before tax	1,011,908	791,023

A 10% strengthening in the Naira against the above foreign currency assets and liabilities at 30 June 2015 would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

II. Cash flow interest rate risk

The Company's cash flow interest rate risk could arise from cash and cash equivalents and variable rate borrowings. The Company's does not have borrowings with variable interest rates.

(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:

	2015	2014
	N'000	N'000
Total borrowings (note 18)	10,853,215	8,158,540
Less cash and cash equivalents	(998,888)	(760,217)
Net debt	9,854,327	7,398,323
Total equity	(1,438,473)	1,203,853
Total capital	8,415,854	8,602,176
Net debt to equity ratio	-685%	615%

(e) Fair values

Fair values versus carrying amount

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	2015		2014	
	Carrying amount N'000	Fair value N'000	Carrying amount N'000	Fair value N'000
Trade and other receivables	206,320	206,320	293,929	293,929
Cash and cash equivalents	998,888	998,888	760,217	760,217
	<u>1,205,208</u>	<u>1,205,208</u>	<u>1,054,146</u>	<u>1,054,146</u>
Trade and other payables	971,483	971,483	1,235,495	1,235,495
	<u>971,483</u>	<u>971,483</u>	<u>1,235,495</u>	<u>1,235,495</u>

The basis for determining fair values is disclosed in Note 5.

28. CONTINGENCIES

The Company is subject to various pending litigations and claims arising in the normal course of business. The Contingent liabilities in respect of these pending litigation and claims amounted to ₦ 1.2 billion as at 30 June 2015 (2014: ₦ 1.2 billion). In the opinion of the directors, based on legal and professional advice obtained, no material loss is expected to arise from these claims. Therefore, no provision for any loss arising has been made in the financial statements.

29. EVENTS AFTER REPORTING DATE

On 1 July 2015, the Nigerian Stock Exchange (NSE) notified the Company of its intention to delist The Tourist Company of Nigeria Plc due to the free float deficiency. A board resolution was passed on 13 July 2015 authorising the delisting, and the Company will engage with the NSE to complete the process. No other material events having an effect on the financial position and results of the Company have occurred between 30 June 2015 and the date of this report.

30. 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 it demanded repayment. This petition was dismissed by the Federal High Court. As at 30 June 2015, the total loan balance payable to Omamo was ₦3.50 billion (30 June 2014: ₦2.63 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. Accordingly none of the loans were due for repayment as at 30 June 2015. There has been no further update in the current financial year.
- (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. There has been no further update in the current financial year.

- (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 report, 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. The Company has raised a preliminary objection. On 30 January 2014, the Court dismissed the preliminary objection. Subsequently, the Company'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 directors, based on advice from the Company's solicitors are confident that judgment will be delivered in the Company's favour, and that the above litigation contingency will not materialise into a loss for the Tourist Company of Nigeria Plc (TCN).

31. GOING CONCERN

The Company incurred losses after taxation amounting to ₦2.6 billion (2014: ₦602.5 million) for the year ended 30 June 2015 and as of that date had a net liability of ₦1.4 billion (2014: net asset of ₦1.2 billion). Although management's cash flow projections and forecasted results for the 12 months subsequent to 30 June 2015 indicates a continuation of the loss making position, the Company forecasts to achieve a positive performance at the operating profit level for the 2017 Financial Year. Management also plans to engage in strategic capital investment projects and partnership with strategic investors for the development of the Company's Property in the years ahead.

These financial statements have been prepared on the basis of accounting policies applicable to a going concern, as in the opinion of the Directors' the Company based on existing plans, will become profitable in the years ahead.

Supplementary Information

Value Added Statement

For the year ended 30 June

	2015		2014	
	N'000	%	N'000	%
Revenue	3,209,322		3,386,066	
Bought-in materials and services:				
Amount paid to suppliers	(1,613,345)		(1,821,669)	
Management fees	(179,659)		(179,402)	
	<u>(1,793,004)</u>		<u>(2,001,071)</u>	
Finance income	428		317	
Valued added	<u><u>1,416,746</u></u>	<u><u>100</u></u>	<u><u>1,385,312</u></u>	<u><u>100</u></u>
Distribution of Value Added:				
To Government:				
Taxation	-	0	-	0
To Employees:				
Salaries, wages and fringe benefits	959,929	68	941,392	68
To Providers of Finance:				
Finance costs	2,592,508	183	433,250	31
Retained in the Business:				
For replacement of property, plant and equipment	498,177	35	601,893	43
For replacement of intangible assets	8,458	1	11,324	1
To (deplete)/augment reserves	(2,642,326)	(187)	(602,547)	(43)
	<u><u>1,416,746</u></u>	<u><u>100</u></u>	<u><u>1,385,312</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.

Financial Summary

Statement of financial position

	As at 30 June 2015	As at 30 June 2014	As at 30 June 2013	As at 1 July 2012	As at 1 July 2011
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets	9,010,340	9,414,139	9,648,752	10,078,567	10,443,325
Current assets	1,375,885	1,183,749	1,439,408	1,002,164	841,301
Total Assets	<u>10,386,225</u>	<u>10,597,888</u>	<u>11,088,160</u>	<u>11,080,731</u>	<u>11,284,626</u>
Equity and liabilities					
Capital and reserves	(1,438,473)	1,203,853	1,806,400	1,681,350	2,184,375
Non-current liabilities	10,853,215	8,158,540	7,762,355	7,747,192	7,350,840
Current liabilities	971,483	1,235,495	1,519,405	1,652,189	1,749,411
Total equity and liabilities	<u>10,386,225</u>	<u>10,597,888</u>	<u>11,088,160</u>	<u>11,080,731</u>	<u>11,284,626</u>

Statement of comprehensive income

Revenue	<u>3,209,322</u>	<u>3,386,066</u>	<u>3,458,485</u>	<u>3,209,040</u>
Loss before taxation	(2,642,326)	(602,547)	(263,844)	(651,486)
Taxation	-	-	388,894	148,461
(Loss)/profit after tax	<u>(2,642,326)</u>	<u>(602,547)</u>	<u>125,050</u>	<u>(503,025)</u>

Per share data

(Loss)/earnings per ordinary share (Kobo)	(118)	(27)	6	(22)
Net assets per ordinary share (Kobo)	(64)	54	80	75

The financial information presented above reflects historical summaries based on International Financial Reporting Standards. Information related to prior periods has not been presented as it is based on a different financial reporting framework (previous Nigerian GAAP) and is thus not directly comparable to the above financial information.

