Building a better working world

INDEPENDENT AUDITO'S REPORT

TO THE MEMBERS OF LEADWAY HOLDINGS LIMITED - Continued

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

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

Oluwasayo Elumaro, FCA
FRC/2012/ICAN/00000000139
For: Ernst & Young
Lagos, Nigeria

11 June 2020

For the year ended 31 December 2019 in thousands of Nigerian Naira	Notes	GROUP 2019	 2018	COMPANY 2019	 2018
Investment income	5	1,467,231	1,493,965	639,319	687,214
Management fee income	6	4,804,287	4,690,263	-	-
		6,271,518	6,184,228	639,319	687,214
Gross profit from hotel business	7	405,525	285,036	-	-
Fair value gain on investment property	21	5,430	9,311	-	
Other operating income	8	19,799	18,918	28,294	-
Total income		6,702,272	6,497,493	667,613	687,214
Personnel expenses	9	2,192,379	1,928,602	187	-
Impairment charges	10	58,954	103,195	698	-
Other operating expenses	11	1,573,536	1,774,231	75,703	7,149
Depreciation of property, equipments and right-of-use assets	11.1	493,828	376,004	-	-
Amortisation of intangible assets	11.1	61,611	53,107	-	-
Loss from derecognition of investment at FVOCI	11.2	625	-	-	-
Interest on lease liabilities	12	15,510	-	-	-
Total expenses		4,396,443	4,235,139	76,588	7,149
Profit before interest and tax		2,305,829	2,262,354	591,025	680,065
Interest expenses	12	(268,104)	(322,516)	-	-
Profit before tax		2,037,726	1,939,838	591,025	680,065
Income tax expenses	13.1	(590,798)	(641,041)	(2,642)	-
Profit for the year		1,446,928	1,298,797	588,383	680,065
Profit attributable to:					
Owners of the parent		970,092	910,753	588,383	680,065
Non-controlling interests		476,836	388,045	-	-
		1,446,928	1,298,797	588,383	680,065
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss:					
Fair value gain /(loss) on financial assets	16.1	91,403	(4,356)	92,785	-
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluation of property, plant and equipment net of tax		90,889	23,272	-	-
Total other comprehensive income		182,292	18,916	92,785	-
Total comprehensive income		1,629,220	1,317,713	681,168	680,065
Total comprehensive income attributable to:					
Owners of the parent	17.2	1,108,030	918,312	681,168	680,065
Non-controlling interests	17.2	521,190	399,401	-	-
		1,629,220	1,317,713	681,168	680,065
Earnings per share:					
Earnings per share for profit from total operations attributable to equity holders of parent					
Basic and diluted (kobo)	14	104	332	42	174

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.

As at 31 December 2019		GROUP		COMPANY	
in thousands of Nigerian Naira	Notes	2019	2018	2019	2018
ASSETS					
Cash and cash equivalents	15	4,172,968	1,629,872	149,097	40,871
Equity instruments at fair value through profit or loss	16	234,674	284,913	103,339	133,415
Equity instruments at fair value through OCI	16	1,029,163	20,277	1,008,115	-
Debt instruments at amortised cost	16	5,282,627	3,273,448	784,018	118,668
Loans and advances	16	2,625,274	3,210,963	85,307	330,000
Financial lease receivables	16	3,283	10,949	-	-
Investment in subsidiaries	17	-	-	3,876,755	3,637,494
Trade and other receivables	19	1,377,989	1,552,598	66,830	64,122
Inventories	20	19,856	24,326	-	-
Investment property	21	692,687	687,257	-	-
Intangible assets	22	162,710	136,759	-	-
Property, plant and equipment	18	2,854,514	3,051,270	-	-
Right-of-use assets	28	105,322	-	-	-
Deferred tax assets	13.3a	37,336	18,983	-	-
Total assets		18,598,403	13,901,615	6,073,461	4,324,570
LIABILITIES					
Trade and other payables	23	4,471,573	2,048,548	172,121	7,015
Current tax liabilities	13.2	692,074	642,754	2,511	-
Fund held in trust	24	998,569	1,044,711	-	-
Borrowings	25	1,071,990	985,896	-	-
Lease liabilities	28	67,431	-	-	-
Deferred tax liabilities	13.3b	102	67,742	102	-
Total liabilities		7,301,739	4,789,651	174,734	7,015
EQUITY					
Share capital	26	1,392,889	492,885	1,392,889	492,885
Share premium	27	3,144,605	3,144,605	3,144,605	3,144,605
Revaluation reserves	27	320,367	273,832	-	-
Treasury shares	27	(101,656)	(79,668)	-	-
Statutory reserves	27	1,134,793	950,676	-	-
Fair value reserve	27	83,495	(7,908)	92,785	-
Retained earnings	27	2,132,022	1,346,047	1,268,448	680,065
Total shareholders' fund		8,106,515	6,120,469	5,898,727	4,317,555
Total equity attributable to the:					
Owners of the parent		8,106,515	6,120,469	5,898,727	4,317,555
Non-controlling interests in equity		3,190,150	2,991,495	-	-
Total equity		11,296,665	9,111,964	5,898,727	4,317,555
Total liabilities and equity		18,598,403	13,901,615	6,073,461	4,324,570

The consolidated and separate financial statements and accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

Oye Hassan-Odukale
FRC/2013/IODN/00000001963
Chairman

Tunde Hassan-Odukale
FRC/2013/IODN/00000002040
Director

Raphael Akomolede
FRC/2013/ICAN/00000001912
Ag. Chief Financial Officer

The accompanying summary of significant accounting policies and notes to the consolidated and separate financial statements are an integral part of these consolidated and separate financial statements.