



TANTALIZERS PLC

MANAGEMENT ACCOUNT

PERIOD ENDED 30TH SEPTEMBER 2017

TANTALIZERS PLC

UNAUDITED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30TH SEPT 2017

	Sep-17 N	Sep-16 N
Revenue	1,339,324	1,460,071
Cost of sales	<u>(847,670)</u>	<u>(859,853)</u>
Gross Profit for the year	491,654	600,218
Other Income	1,549,662	334,148
Profit/Loss before Taxation	760,018	(368,915)
Taxation	<u>-</u>	<u>-</u>
Profit/Loss after Taxation	<u>760,018</u>	<u>(368,915)</u>



TANTALIZERS PLC
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30TH SEPT 2017

	UNAUDITED 1 JULY - 30 SEPT 2017 N'000	UNAUDITED YTD 30 SEPT 2017 N'000	UNAUDITED 1 JULY - 30 SEPT 2016 N'000	UNAUDITED YTD 30 SEPT 2016 N'000
REVENUE	412,995	1,339,324	483,726	1,460,071
COST OF SALES	(261,874)	(847,670)	(282,211)	(859,853)
GROSS PROFIT	151,121	491,654	201,515	600,218
OTHER OPERATING INCOME	1,334,047	1,550,190	140,965	334,148
DISTRIBUTION EXPENSES	(6,194)	(16,934)	(6,042)	(28,193)
ADMINISTRATIVE EXPENSES	(341,466)	(1,041,584)	(371,991)	(1,081,337)
PROFIT/LOSS FROM OPERATIONS	1,137,508	983,326	(35,553)	(175,164)
FINANCIAL EXPENSES	(70,366)	(223,308)	(68,803)	(193,751)
PROFIT/LOSS BEFORE TAX	1,067,142	760,018	(104,356)	(368,915)
TAXATION				
PROFIT/LOSS AFTER TAX	1,067,142	760,018	(104,356)	(368,915)
TOTAL COMPREHENSIVE INCOME	1,067,142	760,018	(104,356)	(368,915)
BASIS EARNINGS PER SHARE	(27K)	24K	(8K)	(11K)
DILUTED EARNINGS PER SHARE	(27K)	24K	(8K)	(11K)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30TH SEPT 2017

	NOTES	2017 9 MTHS	Dec-16
		N	N
SYSTEM REVENUE	1	<u>2,840,435,105</u>	<u>3,633,781,638</u>
TANTALIZERS NET REVENUE		1,339,324,073	1,941,415,688
Cost of sales		<u>(847,670,471)</u>	<u>(1,266,721,251)</u>
Gross Profit for the year		491,653,602	674,694,437
Other Income	2	1,029,528,663	373,016,841
Distribution costs		(16,934,431)	(46,587,082)
Exchange Gain/Loss		520,662,529	(367,440,023)
Administrative Expenses		<u>(1,041,583,797)</u>	<u>(1,371,658,856)</u>
Operating Profit/Loss	3	<u>983,326,567</u>	<u>(737,974,683)</u>
Finance costs	4	<u>(223,307,949)</u>	<u>(270,393,603)</u>
Net finance cost		<u>(223,307,949)</u>	<u>(270,393,603)</u>
Profit/Loss before Tax		760,018,618	(1,008,368,286)
Taxation	5	<u>-</u>	<u>(8,153,416)</u>
Profit/Loss after Taxation transferred to Revenue Reserve		<u>760,018,618</u>	<u>(1,016,521,702)</u>
Earnings per share (basic)		<u>24K</u>	<u>(32k)</u>
Earnings per share(diluted)		<u>24K</u>	<u>(32k)</u>

TANTALIZERS PLC

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH SEPT 2017**

	NOTES	Sep-17 N	Dec-16 N
NON CURRENT ASSETS			
Property, Plant and Equipment		2,838,523,041	4,343,256,444
Long Term Receivables		<u>97,847,401</u>	<u>156,160,667</u>
		2,936,370,443	4,499,417,111
Current assets			
Inventories	6	120,603,909	98,004,702
Trade and other receivables	<u>7</u>	<u>1,225,382,768</u>	<u>329,070,921</u>
Cash and Bank equivalents	<u>8</u>	<u>51,595,774</u>	<u>32,338,449</u>
		<u>1,397,582,451</u>	<u>459,414,072</u>
Current liabilities			
Amount falling due within one year:			
Trade and other payables	<u>9</u>	<u>1,671,047,647</u>	<u>1,260,931,351</u>
Provisions and deferred income	<u>10</u>	<u>210,111,414</u>	<u>310,196,023</u>
Borrowings	<u>11</u>		
Overdrafts		193,257,360	436,171,257
Term loans		465,560,548	748,623,178
Taxation		<u>314,363,637</u>	<u>315,722,555</u>
		<u>2,854,340,606</u>	<u>3,071,644,364</u>
Net current assets/liabilities		<u>(1,456,758,155)</u>	<u>(2,612,230,292)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,479,612,288</u>	<u>1,887,186,819</u>
Non current liabilities			
Provisions and deferred income		135,840,043	337,403,123
Borrowings			
Term loans		361,585,763	811,306,490
		<u>497,425,806</u>	<u>1,148,709,613</u>
NET ASSETS		<u>982,186,482</u>	<u>738,477,206</u>
SHAREHOLDERS' FUNDS			
Share Capital	<u>12</u>	<u>1,605,813,953</u>	<u>1,605,813,953</u>
Share Premium	<u>13</u>	<u>2,071,077,399</u>	<u>2,071,077,399</u>
Revaluation reserve		157,963,915	674,273,256
Revenue Reserve	<u>14</u>	<u>(2,852,668,784)</u>	<u>(3,612,687,402)</u>
		<u>982,186,482</u>	<u>738,477,206</u>

APPROVED BY THE BOARD OF DIRECTORS ON THE 25TH OCTOBER 2017 AND
AUTHORISES THE DIRECTORS BELOW TO SIGN.


Mrs Abosede Ayeni
Managing Director


Mr Bamidele Oke
Finance Director

FRC/2016/IODN00000015675

FRC/204/ICAN/00000007239

TANTALIZERS PLC

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30TH SEPT 2017**

	Sep-17	Dec-16
	N	N
<u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Cash received from customers	2,225,602,655	2,091,399,391
Cash paid to suppliers and employees	(1,770,732,741)	(1,849,328,235)
Tax paid	-	-
Interest received	-	-
Interest paid	(223,307,949)	(270,393,603)
Net cash (used in)/generated from operating activities	<u>231,561,966</u>	<u>(28,322,447)</u>
<u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Purchase of Property, plant and equipment	(53,442,630)	(143,128,979)
Proceeds from disposal of Property, plant and equipment	826,250,000	142,500,000
Net cash used in investing activities	<u>772,807,370</u>	<u>(628,979)</u>
<u>CASHFLOW FROM FINANCING ACTIVITIES:</u>		
Repayments of borrowings	(742,198,116)	(175,132,740)
Proceeds of borrowings	-	-
Net cash provided by financing activities	<u>(742,198,116)</u>	<u>(175,132,740)</u>
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	262,171,221	(204,084,166)
Cash & Cash Equivalents at January 1, 2017	(403,832,808)	(199,748,642)
Cash & Cash Equivalents as at Dec.31st 2017	<u>(141,661,587)</u>	<u>(403,832,808)</u>
<u>REPRESENTED BY:-</u>		
Cash at Bank and in Hand	51,595,774	32,338,449
Bank Overdraft	(193,257,360)	(436,171,257)
	<u>(141,661,587)</u>	<u>(403,832,808)</u>

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPT 2017

PROPERTY, PLANT AND EQUIPMENT

	LAND	BUILDING	ASSET IN PROGRESS	RESTAURANT FURNITURE & EQUIPMENT	OFFICE FURNITURE & EQUIPMENT	PLANT & MACHINERY	MOTOR VEHICLES	SOFTWARE EQUIPMENT	TOTAL
	N	N	N	N	N	N	N	N	N
COST									
As At 1st January 2017	2,286,366,435	2,577,303,656	67,537,819	1,682,823,310	271,605,819	710,922,732	294,238,606	295,092,678	8,185,891,055
Additions during the period	-	40,346,130	-	2,558,000	1,126,500	9,472,000	-	-	53,442,630
Reclassification	-	-	-	-	-	-	-	-	0
Revaluation	113,587,614	402,719,723	-	-	-	-	-	-	516,307,338
Disposal during the period	(1,137,197,997)	(729,795,041)	(39,925,130)	(41,119,028)	(1,849,648)	(11,513,408)	-	-	(1,961,400,253)
As at 30th Sept 2017	1,149,168,438	1,887,854,745	27,612,689	1,644,262,282	270,882,671	708,821,324	294,238,606	295,092,678	6,794,240,770
DEPRECIATION									
As At 1st January 2017	-	1,008,089,609	-	1,587,361,140	266,949,157	633,068,115	293,468,515	53,696,074	3,842,634,611
Charge for the period	-	142,185,104	-	19,305,405	4,026,092	13,269,806	770,091	11,108,464	190,664,963
Disposal in the period	-	(27,576,454)	-	(39,096,936)	(1,846,359)	(9,062,097)	-	-	(77,581,845)
As at 30th Sept 2017	-	1,122,698,260	-	1,567,569,610	269,128,891	637,275,824	294,238,606	64,806,538	3,955,717,729
NET BOOK VALUE AS									
As at 30th Sept 2017	1,149,168,438	765,156,485	27,612,689	76,692,672	1,753,780	71,545,499	0	230,286,140	2,838,523,041
NET BOOK VALUE @ AT									
31st December 2016	2,286,366,435	1,569,214,047	67,537,819	95,462,170	4,656,662	77,854,617	770,091	241,394,604	4,343,256,444

SIGNIFICANT IMPROVEMENT IN Q3 2017 PERFORMANCE

The company recorded a significant improvement in the performance of Q3 (compared to earlier forecast published) due mainly to the following:

1. The liquidation of IFC Loan.
2. Write back of Foreign Exchange Loss associated with IFC Loan.
3. Disposal of Assets: Land and Building.

In Q3, 1July - 30th Sept 2017, Land and Building in Iwo Road, Ilupeju, Wuse 2 and Lekki were disposed.

Proceeds were used to fully liquidate the USD denominated IFC Loan, partly liquidate other banks loans and offset other past due and statutory obligations.

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPT 2017

1	<u>SYSTEM REVENUE</u>	<u>Sep-17</u>	<u>Dec-16</u>
	Company - Owned Outlet Sales	1,409,814,814	2,038,488,471
	Franchisee - Owned Outlet Sales	1,430,620,321	1,595,295,167
		<u>2,840,435,135</u>	<u>3,633,783,638</u>
2	<u>OTHER INCOME</u>	<u>Sep-17</u>	<u>Dec-16</u>
		<u>N</u>	<u>N</u>
	Rent income	98,382,336	113,568,058
	Other income	16,538,046	37,114,447
	Advert Income	1,857,000	
	Franchise Income	121,186,679	146,349,480
	Interest Income	241,973	0
	Profit on disposal of fixed assets	790,916,905	75,720,234
	Foreign Exchange loss/gain	520,662,529	
	Uncollected Gift Card Balances	0.00	264,622
		<u>1,549,785,467</u>	<u>373,016,841</u>
3	<u>OPERATING PROFIT/(LOSS)</u>	<u>Sep-17</u>	<u>Dec-16</u>
		<u>N</u>	<u>N</u>
	is arrived at after charging/(crediting)		
	Directors' emoluments:		
	Fees	3,350,000	3,350,000
	Other emoluments	53,400,000	53,400,000
	Depreciation	190,664,963	293,887,832
	Auditors' Remuneration	3,500,000	2,500,000
	(Profit)/Loss on sale of fixed assets	(790,916,905)	(75,720,234)
4	<u>FINANCE COSTS</u>	<u>Sep-17</u>	<u>Dec-16</u>
		<u>N</u>	<u>N</u>
	This comprises of		
	Interest on Term Loan	215,293,850	263,987,006
	Interest on leases	0	0
	Interest on overdraft	0	0
	Other Charges (COT etc)	8,014,099	6,406,597
		<u>223,307,949</u>	<u>270,393,603</u>
5	<u>TAXATION</u>	<u>Sep-17</u>	<u>Dec-16</u>
	(i) Per Profit and loss account		
	Income Tax	-	8,153,416
	Education Tax	-	-
	(ii) Per Balance Sheet		
	As at January 2017	315,722,539	308,689,666
	Payment	(1,358,903)	(1,120,543)
	provision for the year	-	8,153,416
		<u>314,363,637</u>	<u>315,722,539</u>

TANTALIZERS PLC

NOTES

6	<u>INVENTORIES</u>	Sep-17	Dec-16
		N	
	Raw Materials & Finished Products	57,718,649	33,979,394
	Printing & Stationery	3,376,615	2,839,275
	Engineering, kitchen & Staff uniform	17,286,351	14,923,059
	Packaging Materials	6,106,696	9,835,306
	Gift cards	27,719,000	30,556,000
	Work-in-Progress	6,048,848	2,220,216
	Gas & Diesel	2,347,751	3,651,452
		<u>120,603,909</u>	0 <u>98,004,702</u>
7	<u>TRADE AND OTHER RECEIVABLES</u>	Sep-17	Dec-16
		N	
	non - current		
	Rent prepaid	97,847,401	156,160,667
	This consist of rents paid in advance on outlets that would last more than 12 months.		
	current		
	Trade receivables	966,783,725	251,473,562
	Rent prepaid	101,571,817	43,138,399
	Amortization	133,367,615	
	Advance to contractors	-	17,212,798
	Prepaid IT subscription	367,500	
	Others	3,598,757	2,377,792
	Withholding Tax Receiveable	17,107,324	12,980,525
	Staff Debtors	2,586,030	1,887,845
		<u>1,225,382,768</u>	0 <u>329,070,921</u>
	Trade Receivables are mostly Royalties and Other Charges due from Franchisee		
8	<u>CASH AND CASH EQUIVALENTS</u>	Sep-17	Dec-16
		N	N
	Cash Balances	34,023,908	31,170,856
	Bank Balances	17,571,866	1,167,593
		<u>51,595,774</u>	<u>32,338,449</u>
	Cash & Cash equivalents		
	Bank Overdrafts	(192,757,360)	(436,171,257)
	Cash and cash equivalents in cashflow stateme	<u>(141,161,587)</u>	<u>(403,832,808)</u>

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPT 2017

9	TRADE AND OTHER PAYABLES	Sep-17	Dec-16
		N	N
	Trade Creditors	393,964,040	209,293,130
	Creditors (Directors)	117,274,463	88,658,400
	Other payables	<u>1,159,809,144</u>	<u>962,979,821</u>
		<u>1,671,047,647</u>	<u>1,260,931,351</u>

The company's policy on payment of creditors is to agree terms of payment prior to commencing trade with a supplier and to abide by those terms on the timely submission of invoices and other required confirmation of supply documents.

10	PROVISIONS AND DEFERRED INCOME	Sep-17	Dec-16
		N	N
	non - current		
	Deferred income	135,840,043	337,403,123
	This relates to amounts received as rental income for unutilized spaces in various outlets that would expire after 12 months.		
	current		
	Provisions & Accruals	31,888,774	167,394,492
	Provision for Directors fee	30,695,000	
	Retro-Franchise Deposits	44,437,547	45,108,380
	Deposit on Rent	98,590,092	
	Refundable Deposit on Rent	4,500,000	10,000,000
	Deferred income	<u>-</u>	<u>87,693,151</u>
		<u>210,111,414</u>	<u>310,196,023</u>

Deferred income relates to amounts received as rental income for unutilized spaces in various outlets that would expire within 12 months.

11	BORROWINGS	Sep-17	Dec-16
		N	N
	non - current Secured Loans		
	Guaranty Trust Bank Plc Loan due year 2017		
	Bank of Industry/(Skye bank plc) Loan due year 2018	64,950,730	0
	IFC Loan due year 2019	0	419,395,734
	Eco-Bank plc Restructured Loan due year 2020	128,400,072	135,861,559
	Eco-Bank plc Restructured Loan due year 2019	158,980,582	256,049,197
	Wema Bank Loan	<u>9,254,379,26</u>	<u></u>
		<u>361,585,763</u>	<u>811,306,490</u>

TANTALIZERS PLC

NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPT 2017

	Sep-17	Dec-16
Bank Overdrafts	<u>193,257,360</u>	<u>436,171,257</u>
current Secured Loans		
Guaranty Trust Bank Plc Loan due year 2016	-	-
Bank of Industries/(Skye bank plc) Loan due year 2019		
Eco-Bank plc Restructured Loan due year 2019	90,777,675	90,777,675
Eco-Bank plc Restructured Loan due year 2020	51,599,928	51,599,929
Bank of Industries/(Skye bank plc) Loan due year 2015	323,182,945	161,453,704
IFC Loan due year 2016	<u>0</u>	<u>444,791,870</u>
	<u>465,560,548</u>	<u>748,623,178</u>

IFC LOAN (PRINCIPAL/INTEREST) FULLY SETTLED IN SEPT 2017

12	<u>SHARE CAPITAL</u>	Sep-17	Dec-16
		N	N
	1. Authorised:		
	5,000,000,000 Ordinary Shares of 50k each	<u>2,500,000,000</u>	<u>2,500,000,000</u>
	2. Issued and fully paid:	N	N
	3,211,627,906 Ordinary Shares of 50k each	<u>1,605,813,953</u>	<u>1,605,813,953</u>

13 **SHARE PREMIUM**

This represents the excess of consideration paid over the nominal value of the 1,026,630,526 shares issued during the private placement offer in year 2008 and the 261,627,906 shares issued during the special placement offer in year 2010.

TANTALIZERS PLC

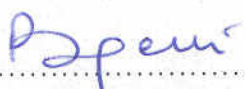
NOTES TO THE FINANCIAL STATEMENT FOR THE PERIOD ENDED 30TH SEPT 2017

14	<u>REVENUE RESERVE</u>	Sep-17	Dec-16
		N	N
	At 1st January 2016	(3,612,687,402)	(2,596,165,700)
	Profit for the period	<u>760,018,618</u>	<u>(1,016,521,702)</u>
	Balance Transferred to Balance Sheet	<u>(2,852,668,784)</u>	<u>(3,612,687,402)</u>

CERTIFICATION PURSUANT TO SECTION 60[2] OF INVESTMENT AND
SECURITY ACT NO. 29 OF 2007

We the undersigned hereby certify the following with regards to the 3rd. Quarter Financial Report for the period Ended 30th September 2017 that:

- (a) We have reviewed the report;
- (b) To the best of our knowledge, the report does not contain:
 - i. any untrue statement of a material fact, or
 - ii. omit to state a material fact, which would make the statements, misleading in the light of the circumstances under which such statements were made.
- (c) To the best of our knowledge, the financial statement and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the period presented in the report.
- (d) We:
 - i. Are responsible for establishing and maintaining internal controls;
 - ii. Have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiary is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
 - iii. Have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
 - iv. Have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of date.
- (e) We have disclosed to the auditors of the Company and audit committee:
 - i. All significant deficiency in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
 - ii. Any fraud, whether or not material, that involves management or other employees who have significant role in the Company's internal controls; and
- (f) We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.


.....
Managing Director/CEO
Mrs. Abosede Ayeni
FRC/2016/IODN00000015675


.....
Executive Director, Financier
Mr. Bamidele Oke
FRC/204/ICAN/00000007239