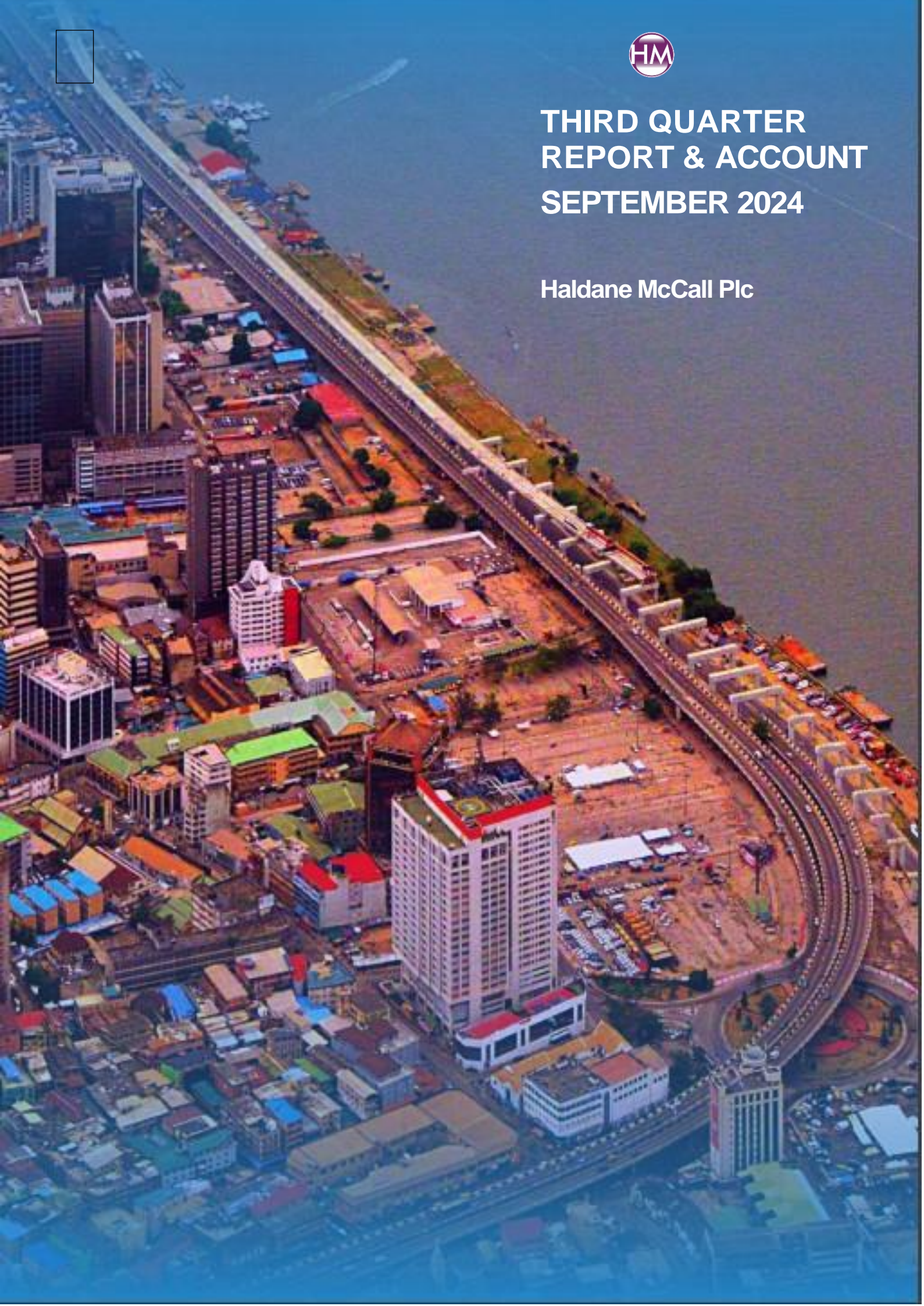




# THIRD QUARTER REPORT & ACCOUNT SEPTEMBER 2024

Haldane McCall Plc



<b>TO:</b>	<b>BOARD MEMBERS</b>
<b>FROM:</b>	<b>FEMI OJEWANDE</b>
<b>AGENDA:</b>	<b>ITEM 5</b>
<b>TOPIC:</b>	<b>FINANCE DIRECTOR'S REPORT</b>

The consolidated and separate financial statements, which are in line with the International Financial Reporting Standards (IFRS), Companies and Allied Matters Act (CAMA 2020) and the Financial Reporting Council (FRC) Act, have been independently audited by Funsho Owoyemi & Co Chartered Accountants

The financial statements have been prepared in such a manner as to provide stakeholders with an understanding of the company's business, performance, prospects and strategy. This report is also intended to provide stakeholders with an appreciation of the overall environment in which the company operates.

The report covers the operation of Haldane McCall Plc. and its subsidiaries for the period ended 30 September, 2024.

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## FINANCIAL HIGHLIGHT

**N485.58m** (+158%)  
Profit After Taxation

2023	N188.14m
2024	N485.58m

**N485.58m** (+158%)  
Total Comprehensive Profit

2023	N188.14m
2024	N485.58m

**N109.6m** (-20%)  
Cash and cash equivalents

2023	N136.29m
2024	N109.6m

	HMK			SURU HOMES		
	2024	2023	%	2024	2023	%
	N	N	Change	N	N	Change
Revenue	3,319,328,637	1,320,926,334	151%	2,810,378,498	955,318,080	194%
Operating profit	724,450,038	278,796,176	160%	565,425,948	278,796,176	103%
Net finance cost	(5,072,284)	(2,122,905)	139%	(5,072,284)	(2,122,905)	139%
Profit before taxation	719,377,754	276,673,271	160%	560,353,664	276,673,271	103%
Taxation	(233,797,770)	(88,536,063)	164%	(182,114,941)	(51,301,444)	255%
Profit after taxation	485,579,984	188,137,208	158%	378,238,723	225,371,827	68%
Total comprehensive profit for the year	485,579,984	188,137,208	158%	378,238,723	225,371,827	68%
Total Equity	15,007,709,621	13,879,012,021	8%	15,007,709,621	13,879,012,021	8%
Total equity and liabilities	18,676,184,902	17,208,949,743	9%	18,676,184,902	17,208,949,743	9%
Cash and Cash equivalents	109,623,078	136,290,331	-20%	76,901,426	21,881,363	251%
Basic Earnings Per Share (Kobo)	15.55	6.03	158%	4.55	7.22	-37%
NSE quotation as at 30 September 2024(kobo)						
Number of shares in issue ('000)	3,122,000,000	3,122,000,000		3,122,000,000	3,122,000,000	
Market capitalization as at 30 June(N'000)						

## OPERATING PROFIT YEAR TO YEAR

	Group		Suru Homes	
	2024	2023	2024	2023
Revenue	3,319,328,637	1,320,926,334	2,810,378,498	955,318,080
Gross profit	1,361,937,722	729,543,059	1,202,913,632	729,543,059
Selling and distribution expenses	(375,168,406)	(279,244,510)	(375,168,406)	(279,244,510)
Administrative expenses	(267,759,205)	(225,973,373)	(267,759,205)	(225,973,373)
Other Operating income	5,439,927	54,471,000	5,439,927	54,471,000
<b>Operating profit</b>	724,450,038	278,796,176	<b>565,425,948</b>	278,796,176
Net finance cost	(5,072,284)	(2,122,905)	(5,072,284)	(2,122,905)
Profit before taxation	719,377,754	276,673,271	<b>560,353,664</b>	276,673,271
Taxation	(233,797,770)	(88,536,063)	(182,114,941)	(51,301,444)
Profit/(loss) for the year	485,579,984	188,137,208	<b>378,238,723</b>	225,371,827
Fair value gain on financial assets				
<b>Total comprehensive profit/(loss) for the year</b>	485,579,984	188,137,208	<b>378,238,723</b>	225,371,827

## BUSINESS OVERVIEW

### Dividend

The Directors do not recommend the declaration of any dividend to the shareholders in view of the performance of the Company.

### Directors' Interests in Shares

Directors' interests in the issued share capital of the Company as recorded in the Register of Members and/or as notified by the Directors in compliance with Sections 301 and 302 of the Companies and Allied Matters Act 2020 and the Listing Requirements of the Nigerian Exchange Limited were as follows:

### Our People

Our staffs and management teams are trained and professionally seasoned, to build up good business and transitional relationship with our clients, customers and public practice institutions.

### Proposed Business Strategies

Haldane McCall Plc has business growth intention to build at least 10,000 units of homes and several land acquisitions in 2025, in order to increase incomes, profitability and enhance liquidity position.

### Economic conditions and Inflation

Inflation has been on the increase and unabated thus increasing the operational costs of running the business both at homes and the hospitality business. It is currently at 32.7% rate as at 24 October 2024. Base on this parameter and uneven economic condition, we intend to increase our hotels in the state and Abuja for the purpose of future expansion.

### **Health, Safety and Employee Welfare**

The company accords high priority to the health, safety and welfare of its employees both in and outside the work place. In furtherance of this, the company has a Life Assurance Policy and a personal accident Policy to adequately insure and protect its employees. The services of hospitals and clinics are retained in several locations to facilitate employees' access to health care. High emphasis is placed on safety and general tidiness of the work environment.

Thus, the company retains the services of a consultant who visits the company to inspect its facilities and advise on safety issues. The company provides subsidies to all employees for lunch, transportation and housing.

### **Labour force and minimum wage**

The minimum wage has been increased to 70,000 which is in accordance with the new approved minimum wage legislation under the national administration of President Bola Ahmed Tinubu.

So, management has approved the payment of salaries to the staffs to reflect the current minimum wage, effective from September 2024.

### **Employee Recognition and Incentive Scheme**

The company is committed to keeping employees fully involved as much as possible, regarding the company's performance and progress and seeking their views, wherever practicable matters which particularly affect them as employees.

In line with the company's policy of continuous development of its human resources, the company ensures the continuous upskilling of its employees on relevant trainings both locally and internationally.

### **Employment of Disabled Persons:**

It is the policy of the company that there should be no unfair discrimination in considering applications for employment, including those from disabled persons. All employees, whether or not disabled, are given equal opportunities to develop.

### **Performance Management**

Based on the current performance assessment, Suru Homes Limited and Suru Express Limited are our cash cow and star respectively.

Using business modelling called Boston Grid Consulting (BCG); it shows that Suru Homes is yielding more revenue more than the Suru Express Limited, but both have higher profitability position.

The market shares and market growth of Suru Homes and Suru Express Limited are increasing as a result of development of homes, proposed projects, work in progress as well as growth in hospitality.

Based on cost, economy and inflationary mechanism; several proper considerations would be put in place to control cost and enhance relevant cost for future growth rate in revenue and profitability.

All material cost that will increase and propagate revenue and profitability should be incurred.

The overall performances of Suru Express Hotels at Surulere, GRA and Ikorodu as well as Suru Homes are favourable.

## **INDEPENDENT AUDITOR'S REPORT**

### **Opinion:**

We have audited the Financial Statements of Haldane McCall PLC as at 31 December, 2023 as set out which have been prepared on the basis of significant accounting policies disclosed on International Financial Reporting Standard.

### **Directors Responsibilities for the Financial Statements Prepared:**

In accordance with the Companies and Allied Matters Act 2020 and International Financial Reporting Standards, the Company Directors are responsible for the preparation and fair presentation of these Financial Statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether owing to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### **Auditors Responsibility:**

The auditors' responsibility is to express an opinion on these financial statements based on the audit carried out. 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 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether owing to fraud or omission. In making those risk assessments, the auditors considered internal controls relevant to the entity, preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting

Funsho Owoyemi & Co

Chartered Accountants.

## CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 September 2023		The Group		SURUHOMES	
		2024	2023	2024	2023
	Notes	N	N	N	N
Revenue	11	3,319,328,637	1,320,926,334	2,810,378,498	955,318,080
Cost of sales	12	(1,957,390,915)	(591,383,275)	(1,607,464,8656)	(294,794,672)
<b>Gross profit</b>		<b>1,361,937,722</b>	<b>729,543,059</b>	<b>1,202,913,632</b>	<b>660,523,408</b>
Other Expenses	14	(375,168,406)	(279,244,510)	(375,168,406)	(279,244,510)
Administrative expenses	14	(267,759,205)	(225,973,373)	(267,759,205)	(225,973,373)
Other operating income	13	5,439,927	54,471,000	5,439,927	54,471,000
Credit Loss (expense)/write-back					
Share of loss from joint venture					
<b>Operating profit</b>		<b>724,450,038</b>	<b>278,796,176</b>	<b>565,425,948</b>	<b>209,776,525</b>
Finance income					
Finance cost	15	(5,072,284)	(2,122,905)	(5,072,284)	(2,122,905)
Net finance cost		(5,072,284)	(2,122,905)	(5,072,284)	(2,122,905)
<b>Profit before taxation</b>		<b>719,377,754</b>	<b>276,673,271</b>	<b>560,353,664</b>	<b>207,653,620</b>
Taxation		(233,797,770)	(88,536,063)	(182,114,941)	(51,301,444)
<b>Profit after taxation</b>		<b>485,579,984</b>	<b>188,137,208</b>	<b>378,238,723</b>	<b>156,352,176</b>
Items not to be subsequently reclassified to profit or loss:					
Net changes in fair value gain/(loss) on financial assets					
<b>Total comprehensive profit for the year</b>		<b>485,579,984</b>	<b>188,137,208</b>	<b>378,238,723</b>	<b>156,352,176</b>
<b>Profit attributable to:</b>					
Equity holders of the parent		485,579,984	188,137,208	378,238,723	156,352,176
Non-controlling interest					
<b>Total profit</b>		<b>485,579,984</b>	<b>188,137,208</b>	<b>378,238,723</b>	<b>156,352,176</b>
Equity holders of the parent					
Non-controlling interests					
<b>Total comprehensive profit</b>		<b>485,579,984</b>	<b>188,137,208</b>	<b>378,238,723</b>	<b>156,352,176</b>
<b>Basic Earnings Per Share (Kobo)</b>		15.55	6.03	12.12	5
From continuing operations					
<b>Diluted Profit Per Share (Kobo)</b>					
From continuing operations					

## CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION

For the year ended 30 September 2024		The Group			SURUHOMES		
		2024	Restated 2023	Restated 2022	2024	Restated 2023	Restated 2022
Notes		N	N	N	N	N	N
<b>Assets</b>							
<b>Non-current assets</b>							
Property, plant and equipment	1	15,488,832	14,442,186,320	14,935,433,792	15,488,832	14,442,186,320	14,935,433,792
Intangible assets	2	38,700,670			38,700,670		
		<b>15,527,533,250</b>	<b>14,442,186,320</b>	<b>14,935,433,792</b>	<b>15,527,533,250</b>	<b>14,442,186,320</b>	<b>14,935,433,792</b>
Equity instrument at fair value							
Investments in subsidiaries							
		<b>15,527,533,250</b>	<b>14,442,186,320</b>	<b>14,935,433,792</b>	<b>15,527,533,250</b>	<b>14,442,186,320</b>	<b>14,935,433,792</b>
<b>Current assets</b>							
Inventories	3	2,192,871,289	1,988,018,432	1,681,957,980	2,192,871,289	1,988,018,432	1,681,957,980
Trade and other receivables	4	846,157,285	642,454,660	896,030,198	846,157,285	642,454,660	895,369,198
Current tax assets							
Cash at bank and in hand	5	109,623,078	136,290,331	142,098,181	<b>76,901,426</b>	<b>21,881,363</b>	128,294,244
		<b>3,184,651,652</b>	<b>2,766,763,423</b>	<b>2,731,086,359</b>	<b>3,115,930,000</b>	<b>2,652,354,455</b>	<b>2,705,621,422</b>
Assets of disposal group classified as held for sale/distribution to owners							
<b>Total assets</b>		<b>18,676,184,902</b>	<b>17,208,949,743</b>	<b>17,665,520,151</b>	<b>18,643,463,250</b>	<b>17,094,540,775</b>	<b>17,641,055,214</b>
<b>Equity</b>							
Share capital	6	1,561,000,000	1,561,000,000	1,561,000,000	1,561,000,000	1,561,000,000	1,561,000,000
Share premium	6	1,002,732,158	1,002,732,158	1,002,732,158	1,002,732,158	1,002,732,158	1,002,732,158
Deposit for shares		5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Revaluation reserves		2,923,405,287	2,349,109,578	2,337,890,113	2,923,405,287	2,349,109,578	2,337,890,113
Revenue reserves	7	4,520,572,176	<b>3,966,170,285</b>	<b>3,778,034,076</b>	4,520,572,176	<b>3,600,562,060</b>	3,881,080,768
<b>Equity attributable to equity holders of the Company</b>		<b>15,007,709,621</b>	<b>13,879,012,021</b>	<b>13,679,656,347</b>	<b>15,007,709,621</b>	<b>13,513,403,796</b>	<b>13,782,703,039</b>
Non-controlling interest							
<b>Total equity</b>							
<b>Liabilities</b>							
<b>Non-current liabilities</b>							
Long term liabilities		2,514,476,396	2,514,476,396	2,514,476,396	2,514,476,396	2,514,476,396	2,514,476,396
Deferred taxation liabilities							
<b>Current liabilities</b>							
Trade and other payables	8	254,645,915	308,705,393	556,309,660	272,607,092	<b>325,377,965</b>	438,798,031
Current income tax liabilities	10	233,797,770	393,219,870	317,768,047	182,114,941	414,298,881	317,768,047
Director Account	9	666,555,200	393,219,870	587,309,701	666,555,200	326,983,737	587,309,701
Deferred revenue							
Liabilities of disposal group classified as held for sale/distribution to owners							
<b>Total liabilities</b>		<b>3,668,475,281</b>	<b>3,329,937,722</b>	<b>3,975,863,804</b>	<b>3,635,753,629</b>	<b>3,581,136,979</b>	<b>3,858,352,175</b>
<b>Total equity and liabilities</b>		<b>18,676,184,902</b>	<b>17,208,949,743</b>	<b>17,665,520,151</b>	<b>18,643,463,250</b>	<b>17,094,540,775</b>	<b>17,641,055,214</b>

Refer to note 30 for restatement of comparative figures.



## CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2024	The Group		Suru Homes		
	Notes	2024 N	2023 N	2024 N	2023 N
Profit/ (loss) before tax		485,579,984	276,673,271	378,238,723	156,352,176
<b>Adjustment for non-cash items:</b>					
Depreciation		115,615,995	195,645,369	115,615,995	195,645,369
Deferred Tax Adjustment		434,834,960		434,834,960	
Share of Loss from Investment in Joint Venture					
Investment Income					
Write back of Impairment on asset of disposal group held for sale					
Finance cost					
Finance income					
Assets of disposal of property, Plant and equipment					
Exchange (gain)					
Withholding tax utilized for tax					
		<b>1,036,030,939</b>	<b>472,318,640</b>	<b>928,689,678</b>	<b>351,997,545</b>
<b>Changes in working capital:</b>					
Increase in inventories		(9,212,207)	(306,060,452)	(237,574,509)	(97,207,597)
(Increase)/decrease in receivables		101,507,837	253,575,538	(203,702,625)	252,914,538
(Decrease)/increase in trade and other payables		(641,232,019)	(425,839,304)	441,855,464	(614,315,095)
Decrease in deferred revenue					
<b>Cash flow from operating activities</b>		<b>487,094,550</b>	<b>(6,005,578)</b>	<b>929,268,008</b>	<b>(106,610,609)</b>
Tax paid		(3,854,554)		(3,854,554)	
<b>Net Cash inflow from operating activities_____A</b>		<b>534,848,200</b>	<b>(6,005,578)</b>	<b>925,413,454</b>	<b>(106,610,609)</b>
<b>Cash flow from investing activities</b>					
Purchase of property, plant & equipment		(1,357,057,704)	(297,602,103)	(1,357,057,704)	(297,602,103)
Purchase of long-term investment		(38,700,670)		(38,700,670)	
Proceeds from sale of property, plant and equipment		558,436,000	480,670,197	558,436,000	480,670,197
Dividend received					
Interest received					
<b>Net cash flow from investing activities_____B</b>		<b>(837,322,374)</b>	<b>183,068,094</b>	<b>(837,322,374)</b>	<b>183,068,094</b>
<b>Cash flow from financing activities</b>					
Revaluation reserve		(150,680,214)	11,219,465	(150,680,214)	11,219,465
Director Account		343,786,443	(194,089,831)	117,609,197	(194,089,831)
Dividend paid to non-controlling					
<b>Net cash flow from financing activities_____C</b>		<b>193,106,229</b>	<b>(182,870,366)</b>	<b>(33,071,017)</b>	<b>(182,870,366)</b>
<b>Net increase in cash and cash equivalents: A+B+C</b>		<b>(160,976,149)</b>	<b>(5,807,850)</b>	<b>55,020,063</b>	<b>(106,412,881)</b>
Net foreign exchange difference					
Cash and cash equivalents at the beginning of the period		270,599,227	142,098,181	21,881,363	128,294,244
<b>Cash and cash equivalents at the end of the period</b>		<b>109,623,078</b>	<b>136,290,331</b>	<b>76,901,426</b>	<b>21,881,363</b>

## CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2024	The Group							
	Attributable to owners of the HMK							
	Share Capital	Statutory reserve	Retained Earning	Other Reserves	Fair value reserve of financial assets at FVOCI	Total	Non-Controlling Interest	Total
	N	N	N	N'	N	N	N	N
Balance at 1 January 2024	1,561,000,000	1,002,732,158	4,034,992,193	-	-	6,598,724,351	-	6,598,724,351
Profit for the period	-	-	485,579,984	-	-	485,579,984	-	485,579,984
Dividend paid	-	-	-	-	-	-	-	-
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	-	-	-	-
<b>Balance at 30 September 2024</b>	<b>1,561,000,000</b>	<b>1,002,732,158</b>	<b>4,520,572,177</b>			<b>7,084,303,335</b>		<b>7,084,303,335</b>
Balance at 1 January 2023 (as restated)	1,561,000,000	1,002,732,158	3,778,034,076	-	-	6,341,766,234	-	6,341,766,234
Profit for the period	-	-	256,958,117	-	-	256,958,117	-	256,958,117
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	-	-	-	-
Gain on reclassification of asset of disposal group held for sale	-	-	-	-	-	-	-	-
Release of Gain on revaluation of Shareholders Loan	-	-	-	-	-	-	-	-
<b>Balance at 30 December 2023 (as restated)</b>	<b>1,561,000,000</b>	<b>1,002,732,158</b>	<b>4,034,992,193</b>			<b>6,598,724,351</b>		<b>6,598,724,351</b>
Balance at 1 January 2022 (as earlier stated)	1,561,000,000	1,002,732,158	3,680,086,543	-	-	6,243,818,701	-	6,243,818,701
Correction of error in value of investment in subsidiaries	-	-	-	-	-	-	-	-
Profit for the period	-	-	97,947,533	-	-	97,947,533	-	97,947,533
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	-	-	-	-
Gain on revaluation of shareholder loan	-	-	-	-	-	-	-	-
<b>Balance at 31 December 2022 (restated)</b>	<b>1,561,000,000</b>	<b>1,002,732,158</b>	<b>3,778,034,076</b>			<b>6,341,766,234</b>		<b>6,341,766,234</b>



Balance at 31 December 2022 (restated)	1,561,000,000	1,002,732,158	3,778,034,076		6,341,766,234	6,341,766,234
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**For the period ended 30 September 2024**

**Suru homes**

**Attributable to owners of the Company**

	Share Capital	Statutory reserve	Retained Earning	Other Reserves	Fair value reserve of financial assets at FVOCI	Total
	N	N	N	N'	N	N
Balance at 1 January 2024	1,561,000,000	1,002,732,158	4,034,992,193	-	-	6,598,724,351
Profit for the period	-	-	156,352,176	-	-	156,352,176
Dividend paid	-	-	-	-	-	-
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	-	-
<b>Balance at 30 September 2024</b>	<b>1,561,000,000</b>	<b>1,002,732,158</b>	<b>4,307,966,271</b>			<b>6,755,076,527</b>
Balance at 1 January 2023 (as restated)	1,561,000,000	1,002,732,158	3,778,034,076	-	-	6,341,766,234
Profit for the period	-	-	256,958,117	-	-	256,958,117
Net changes in fair value of financial assets through other comprehensive income	-	-	-	-	-	-
Gain on reclassification of asset of disposal group held for sale	-	-	-	-	-	-
Release of Gain on revaluation of Shareholders Loan	-	-	-	-	-	-
<b>Balance at 30 December 2023 (as restated)</b>	<b>1,561,000,000</b>	<b>1,002,732,158</b>	<b>4,034,992,193</b>			<b>6,598,724,351</b>
Balance at 1 January 2022 (as earlier stated)	1,561,000,000	1,002,732,158	3,680,086,543	-	-	6,243,818,701
Correction of error in value of investment in subsidiaries	-	-	-	-	-	-
Profit for the period	-	-	97,947,533	-	-	97,947,533

Net changes in fair value of financial assets through other comprehensive income	-	-	-	-
Gain on revaluation of shareholder loan	-	-	-	-
<b>Balance at 31 December 2022 (restated)</b>	<b>1,561,000,000</b>	<b>1,002,732,158</b>	<b>3,778,034,076</b>	<b>6,341,766,234</b>

30 September 2024	The Group		
	Property Development Sales & Management	Hospitality Services	Total
	N	N	N
Total Revenue	2,810,378,498	508,950,139	3,319,328,637
Intergroup revenue			
<b>Revenue to third parties</b>	<b>2,106,520,896</b>	<b>508,950,139</b>	<b>3,319,328,637</b>
Earnings before interest and tax	565,425,948	159,024,090	724,450,038
Profit/(Loss) before tax	560,353,664	159,024,090	719,377,754
Net current assets	2,784,382,659		2,784,382,659
Property, plant and equipment	15,488,832,580		15,488,832,580

30 September 2023	Property Development Sales & Management	Hospitality Services	Total
	N	N	N
	Total Revenue	955,318,080	365,608,254
Intergroup revenue			
<b>Revenue to third parties</b>	<b>955,318,080</b>	<b>365,608,254</b>	<b>1,320,926,334</b>
Earnings before interest and tax	209,776,525	69,019,651	278,796,176
Profit/(Loss) before tax	207,653,620	69,019,651	276,673,271
Net current assets	2,181,602,153		2,181,602,153
Property, plant and equipment	14,509,177,854		14,509,177,854



30 September 2024	Suru Homes	
	Property Development & Management	Total
	N	N
Total revenue	2,810,378,498	2,810,378,498
Intergroup revenue		
<b>Revenue from third parties</b>	<b>2,810,378,498</b>	<b>2,810,378,498</b>
Earnings before interest and tax	565,425,948	565,425,948
Profit before tax	560,353,664	560,353,664
Net current assets	2,784,382,659	2,784,382,659
Property, plant and equipment	15,488,832,580	15,488,832,580

31 December 2023	Suru Homes	
	Property Development & Management	Total
	N	N
Total revenue	955,318,080	955,318,080
Intergroup revenue		
<b>Revenue from third parties</b>	<b>955,318,080</b>	<b>955,318,080</b>
Earnings before interest and tax	138,962,943	138,962,943
Profit before tax	276,673,271	276,673,271
Net current assets	2,181,602,153	2,181,602,153
Property, plant and equipment	14,509,177,854	14,509,177,854

## SUMMARY OF BUSINESS AND FINANCIAL PERFORMANCE

### 1.1 Financial Ratio Analysis for Third Quarters Of 2024

	2024	2023
<b><u>SURU EXPRESS HOTELS</u></b>		
CAPITAL EMPLOYED (Total Asset - Current Liabilities) CE is Capital Employed	N4,105,501,241	N4,335,219,870
ROCE = (PBIT/CE) *100%	4%	2%
ASSET TURNOVER = (REVENUE/CE) * Times	0.12times	0.08times
NET PROFIT MARGIN = (PBIT/REVENUE) *100%	31%	19%
RETURN ON EQUITY= (PAT/EQUITY) *100%	1%	0%
RETURN ON ASSETS = (PAT/TOTAL ASSET) *100	1%	0%
<b><u>SURU HOMES LTD</u></b>		
CAPITAL EMPLOYED (Total Asset - Current Liabilities) CE is Capital Employed	N14,167,713,998	N12,355,560,137
ROCE = (PBIT/CE) *100%	4%	2%
ASSET TURNOVER = (REVENUE/CE) * Times	0.2times	0.08times
NET PROFIT MARGIN = (PBIT/REVENUE) *100%	20%	22%
RETURN ON EQUITY= (PAT/EQUITY) *100%	3%	1%
RETURN ON ASSETS = (PAT/TOTAL ASSET) *100	2%	1%

**GROUP HALDANE MCCALL**

CAPITAL EMPLOYED= (Total Asset - Current Liabilities) N18,273,215,239

N16,690,780,007

CE is Capital Employed

ROCE = (PBIT/CE) \*100% 4% 2%

ASSET TURNOVER = (REVENUE/CE) \* Times 0.18times 0.08times

NET PROFIT MARGIN = (PBIT/REVENUE) \*100% 22% 21%

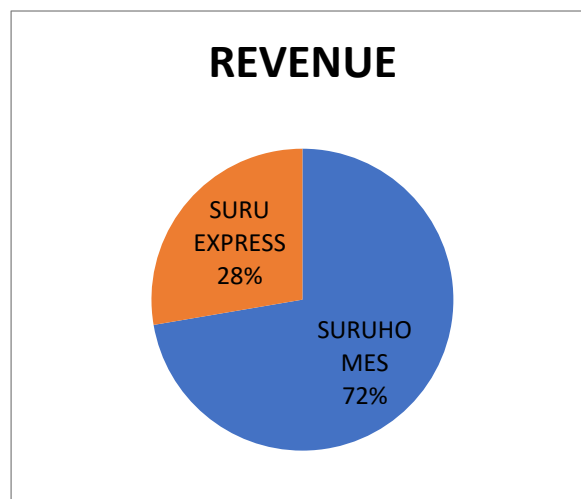
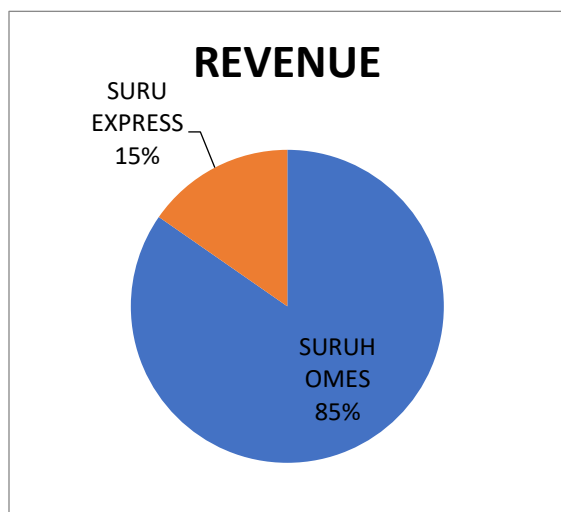
RETURN ON EQUITY= (PAT/EQUITY) \*100% 3% 1%

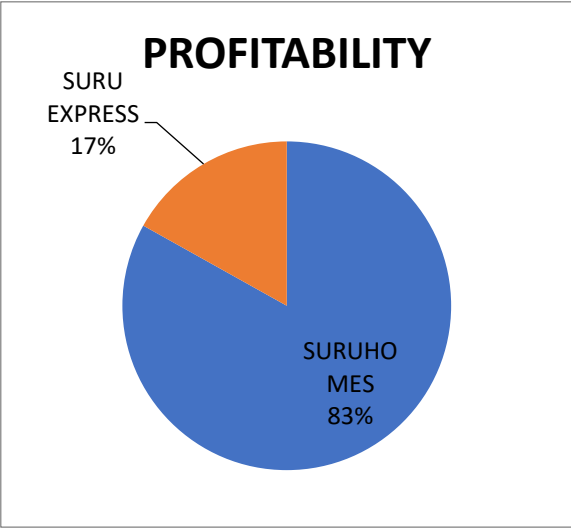
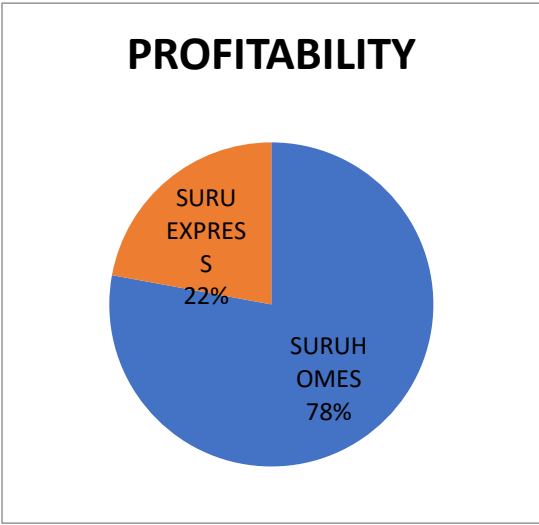
RETURN ON ASSETS = (PAT/TOTAL ASSET) \*100 3% 1%

**GRAPHICAL REPRESENTAION OF INCOME PERFORMANCE FOR THE THIRD QUARTERS  
COMPARATIVE SEPTEMBER 2023 AND SEPTEMBER 2024**

**SEPTEMBER 2024**

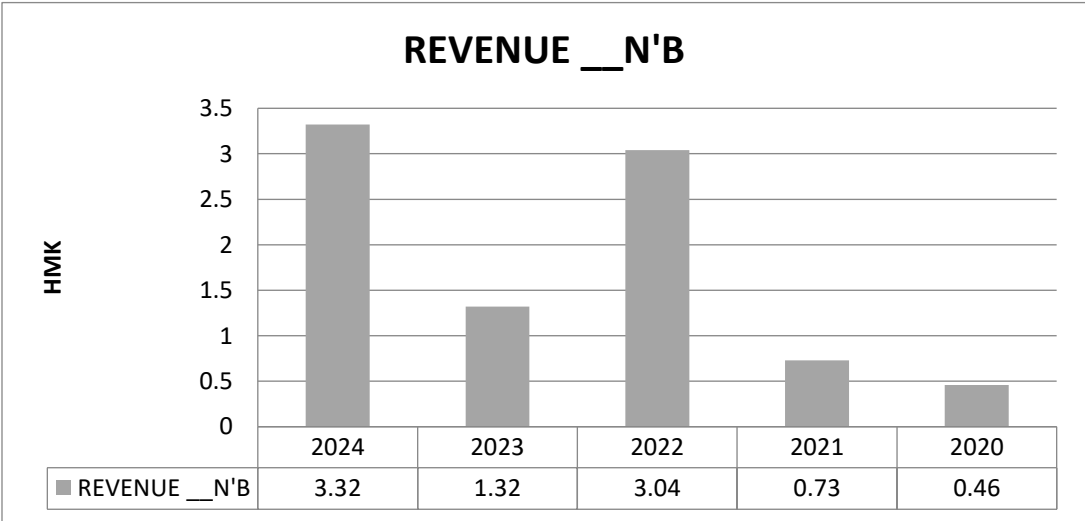
**SEPTEMBER2023**

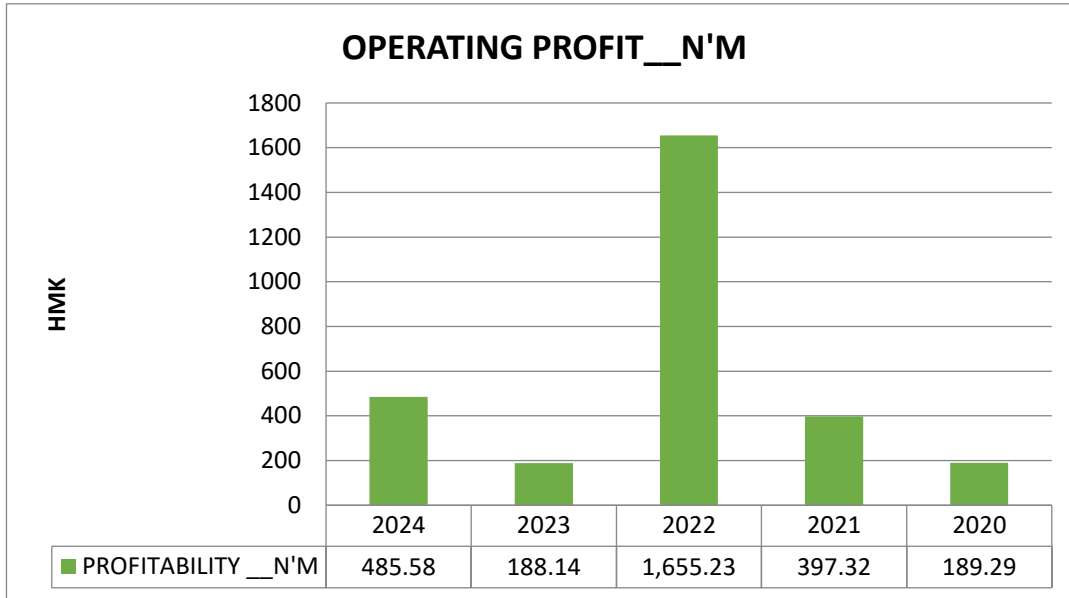




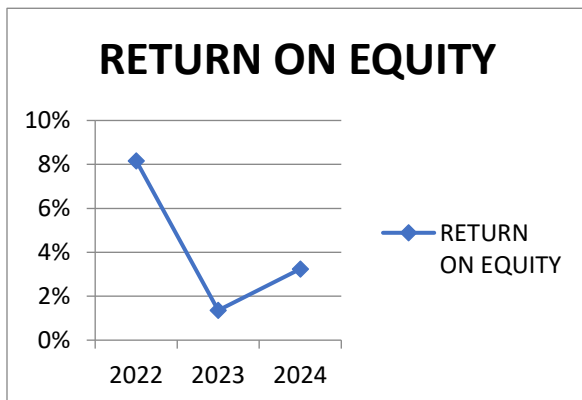
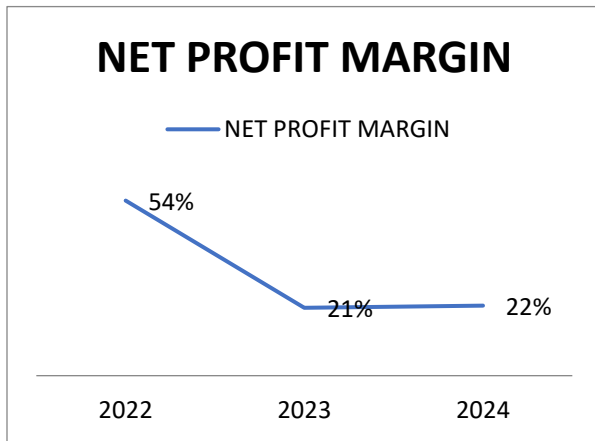
**COMPARATIVE GRAPHICAL REPRESENTATION OF REVENUE AND PROFITABILITY FOR THE PERIOD ENDED SEPTEMBER 2020 TO 2024 OF THE GROUP HMK**

	REVENUE =N=	PROFITABILITY =N=
2024	3,319,328,637.00	485,579,984.00
2023	1,320,926,334.00	188,137,208.00
2022	3,039,674,886.81	1,655,227,455.69
2021	728,371,090.00	397,320,639.84
2020	460,961,900.00	189,288,334.00

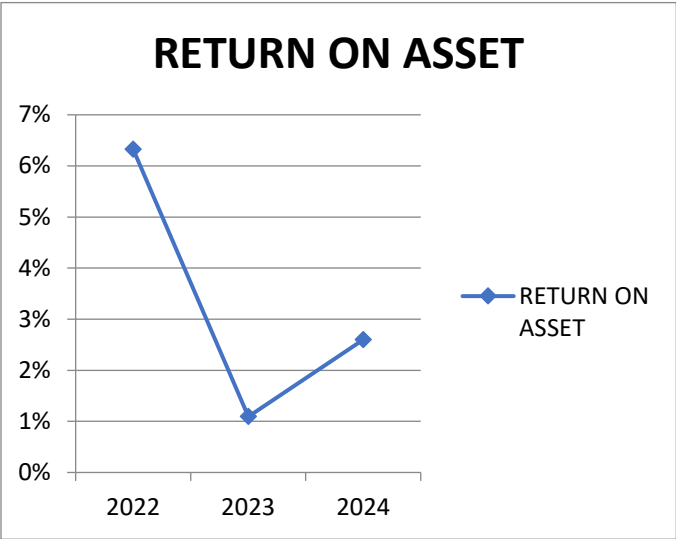




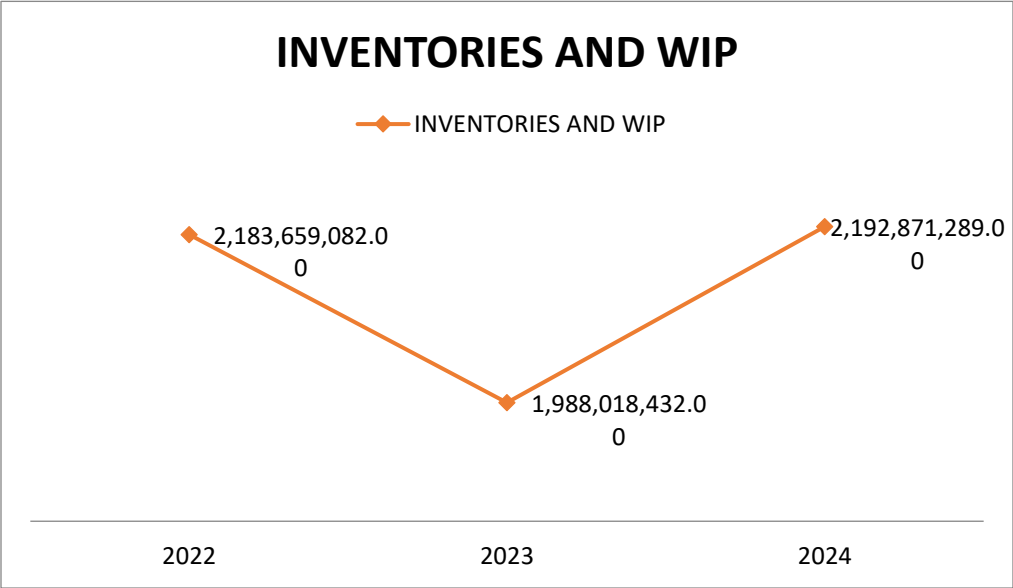
**GRAPHICAL REPRESENTATION OF NET PROFIT MARGIN, RETURN ON EQUITY AND RETURN ON ASSET OF THE GROUP FOR THE PERIOD ENDED SEPTEMBER 2022 TO 2024**







	INVENTORIES AND WIP	PERCENTAGE	VARIANCE EFFECT
2022	2,183,659,082.00	34.31%	
2023	1,988,018,432.00	31.24%	(0.09)
2024	<u>2,192,871,289.00</u>	34.45%	0.10
	<b><u>6,364,548,803.00</u></b>		



## **ECONOMIC AND BUSINESS INTERPRETATION OF THE GRAPHICAL ANALYSIS**

The above graphical representations show the financial performance and position evaluation of the Group, Suru Homes Limited and Suru Express Limited.

Base on assessment; the period ended September 2024 Revenue was higher than the previous year's period ended September 2020 to 2023, but the profitability position for the period ended September 2022 was higher than the period ended September 2024, 2023, 2021 and 2020. Although, the capitalized cost, direct cost, and indirect costs for the period ended September 2024 were higher than that of 2020, 2021, 2022 and 2023 September period ended.

Although, the ROA and ROE decline drastically in September 2023 period ended but later increase in September 2024 period ended; this shows that positive improvement and higher turnover from the hotels, alongside with the disposal of homes, rental income, and service charge income.

Currently, the profitability is likely to increase by the year end 31<sup>st</sup> December 2024 and revenue will boost up in 2025 and beyond, due to the current and subsequent business strategies and diversifications. Based on this observation, the profitability will be increasing heavily from 2025 and beyond as a result of the listing NGX, and also if the cost drivers control measures are put in place, expansion of homes and hotel businesses, diversification of business opportunities and marketing strategies that will yield more revenue.

Finally, the position of the business shows that the Group performance is favourable, and diversifies business strategies (homes and hotels) will result to increments in revenue and profitability position in 2025 and beyond, because the current inventories and work in progress are more than the previous year. Even the on-going foreign capital projects have higher capital base and projected higher turnover currently and beyond.