

transcórþ



2017

Annual Reports &
Financial Statements



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01

Overview

A Conglomerate's Overview

About Transcorp

Incorporated on November 16, 2004, Transnational Corporation of Nigeria Plc ("Transcorp") is a leading diversified conglomerate focused on acquiring and managing strategic businesses that create long term shareholder value and socio-economic impact. Transcorp currently has business interests in four strategic sectors of the Nigerian economy, namely power, hospitality, oil & gas and agriculture.

Transcorp's notable businesses include the multiple award-winning Transcorp Hilton Abuja, Transcorp Hotels Calabar, 972 megawatts gas-fired power plant at Ughelli, Delta State, Oil Prospecting License 281, Teragro Fruit Concentrate Plant at Makurdi, Benue State, Transcorp Hilton Lagos and Transcorp Hilton Port Harcourt currently being developed. These businesses are owned and managed by Transcorp through its respective subsidiaries namely, Transcorp Hotels Plc, Transcorp Power Limited, Transcorp OPL 281 Nigeria Limited, Transcorp Energy Limited and Teragro Commodities Limited.

Transcorp is quoted on the Nigerian Stock Exchange and has about 300,000 shareholders, the largest of which is Heirs Holdings Limited, a pan-African proprietary investment company.

Purpose

Improving lives, transforming Nigeria.

Values

Deeply rooted in our employees are our values, the 3Es (Execution, Enterprise and Excellence), which drive us towards a common sense of purpose to create long lasting value for our stakeholders.

- **Execution**
A burning desire to always see things through to completion in a timely, efficient and effective manner.
- **Enterprise**
Having the willingness and determination to do whatever it takes to legitimately get the job done.
- **Excellence**
Delivering in an outstanding manner, consistently.



A Short Story of Execution

We acquired the Ughelli Power plant in November 2013, as part of Transcorp Plc's commitment to Improve Lives and transform Nigeria by powering homes, schools, public utilities and businesses. The Bureau of Public Enterprises gave us a target to increase power generation from 160MW to at least 670MW in 5 years but we surpassed this expectation 12 months ahead of schedule, generating 701MW by November, 2017.



Transcorp Hilton Hotel, Abuja

Transcorp Hilton Abuja is Africa's multiple award-winning hotel and an icon at the centre of our nation, Nigeria. Situated in the heart of Nigeria's Federal Capital Territory, 40 minutes drive from Nnamdi Azikiwe International Airport, Abuja, is a 670-room, 5-star hotel that provides luxury accommodation, exotic cuisine, fully equipped meeting rooms and leisure facilities to business and leisure travellers from all over the world. The hotel offers the benefit of the international-standard guest reward programme, Hilton Honors, which awards points and miles to members who stay at any of the Hilton Group's 3,700 hotels world-wide, and airline miles in partnership with over 50 airlines.

Under Transcorp's effective leadership, the Transcorp Hilton Hotel, Abuja is undergoing a US\$100million upgrade to create new world class interiors in the suites and lobby spaces, ultra-modern sporting and business facilities, a beauty and wellness spa and a world-class event centre for 5,000 seated guests. The upgrade is progressing rapidly and very close to completion. Already completed and upgraded rooms have been included in our room inventory while the remaining rooms and the external areas currently under construction are billed for completion in the second quarter of 2018.

In 2017, Transcorp Hilton Abuja again re-emphasized its multiple award-winning status by emerging the proud recipient of five prestigious awards at the 24th World Travel Awards for the fifth year in a row. The World Travel Awards brand is recognised globally as the ultimate hallmark of industry excellence. Amongst the awards won are:

- Africa's Leading Business Hotel
- Nigeria's Leading Business Hotel
- Nigeria's Leading Hotel
- Nigeria's Leading Hotel Suite (the Presidential Suite)
- Nigeria's Leading Meetings, Incentives, Conventions and Events (MICE) Hotel

Other awards won in 2017 includes:

2017 Seven Stars Luxury Hospitality and Lifestyle

At the Seven Stars Luxury Hospitality and Lifestyle Awards, Transcorp Hilton received the Signum Virtutis "The Seal of excellence" in the Hotels and Resorts Category. The hotel was also confirmed as the leader in luxury hospitality innovation in Nigeria. Transcorp Hilton Abuja, is the first and only Nigerian hotel to win the awards for two consecutive years.

Trip Advisor Award

Transcorp Hilton Abuja once again won the 2017 TripAdvisor Travellers' Choice™ awards for hotels - the highest honour to be given by TripAdvisor. TripAdvisor awards highlight the world's top properties based on millions of reviews and opinions sourced from travellers around the globe.





PEARL Awards

Transcorp Hotels Plc won the PEARL award for Sectoral Leader in the Nigerian Capital Market for Services (Hotels Sector). The PEARL Awards Nigeria, is one of Nigeria's foremost award recognition bodies, focused on rewarding corporate excellence in local institutions and promoting healthy competition amongst quoted companies through growth, diversification and innovation.

Transcorp Hotels, Calabar

The 146-room Transcorp Hotels Calabar, is a premier hotel destination in Calabar, Cross River State, which is fast becoming the preferred destination for business and leisure. The hotel is located in the heart of Calabar and is a well-known landmark for both locals and visitors. It is the perfect meeting place for business and pleasure.

Transcorp Hotels Calabar also provides outstanding conferencing facilities: fine dining, 24-hour room service, a fitness centre, complimentary airport pick-up, complimentary Wi-Fi connection in all guest rooms and guest discounts with local merchants. Transcorp continues to develop strategies in the medium and long term that will consistently position the hotel as a leader in the hospitality market of Nigeria's South-South Region.

Transcorp Hilton Ikoyi Limited

Following the completion of piling works for the 320-room five-star Transcorp Hilton, Ikoyi, Lagos and acquisition of additional expanse of land for the hotel project, Transcorp Hotels Plc and Hilton Worldwide executed a revised Management Agreement in respect of Transcorp Hilton in Ikoyi, Lagos. The proposed Transcorp Hilton Lagos will be the Hilton Group's second hotel in

Nigeria by Transcorp, following the award-winning Transcorp Hilton Hotel Abuja, which is one of the leaders in Hilton's global network. Rectification of the title documents for the additional expanse of land acquired was recently concluded after a prolonged delay in receiving approval from the federal government. With this development, we expect to complete the process of obtaining final building approvals on the completed designs.

Transcorp Hotels Port Harcourt Limited

The proposed Transcorp Hilton Port Harcourt will be a full-service, upscale hotel featuring almost 1,400sqm of state-of-the-art conference facilities and meeting rooms, alongside stylish and creative leisure facilities including six restaurants and bars, a gym, spa, pools, and tennis and squash courts, all targeting Nigeria's burgeoning middle class. Land acquisition and clearing of the property have been concluded and all title documents to the properties have been obtained. The process of completing the schematic design of the hotel is now underway.

Transcorp Power Limited

Transcorp Power Limited (Transcorp Power) is the power subsidiary of Transcorp. The company is a leader in the Nigerian power space and drives Transcorp's strategic interests in the Power sector with its gas-fired, single cycle 972MW installed capacity power generating plant in Ughelli, Delta State. Transcorp Power has consistently led power generating companies in Nigeria in terms of electricity generated and wheeled unto the national grid. The Company has also remained the stabilizer amongst the power generating companies by the provision of black start, free governor and a number of other ancillary services.

Transcorp Power has remarkably increased the available capacity of its plant from 160MW at the time of takeover of the plant in November 2013 to the current available capacity of 701MW. This was achieved through significant investments in aggressive rehabilitation and recovery programme, which includes the flange to flange replacement of Gas Turbine 15 (GT 15)

commissioned in March 2017, which resulted in additional 115 MW generating capacity and complete rehabilitation of its GT-20, which added another 105MW to the plant's available capacity. Transcorp intends to pursue its self-set aggressive recovery programme to a conclusion by June 2018, by meeting a target generation capacity of 825MW with the recovery of additional capacities.

Teragro Commodities Limited

Teragro Commodities Limited (Teragro) was set up to be the agribusiness subsidiary of Transnational Corporation of Nigeria Plc. It leveraged on advanced technology in food processing to produce high quality agricultural products including orange and pineapple concentrates, mango purees and orange peel oil for industrial markets. Incorporated in 2008, the company is the operator of the 26,500 metric tonne capacity Teragro Benfruit Plant in Benue State, Nigeria's first-of-its-kind juice concentrate plant. Teragro and its products are certified by the National Agency for Food and Drugs Administration and Control (NAFDAC) of Nigeria and the Global Food Safety Initiative (GFSI) with ISO 9001:2008 and FSSC 22000:2005.

Transcorp OPL 281 Nigeria Limited

The Oil & Gas activities of Transcorp are carried out by its fully owned subsidiaries, Transcorp Energy Limited and Transcorp OPL 281 Nigeria Limited. Transcorp Energy Limited was established in 2008 to spearhead Transcorp's push into the energy sector and Transcorp OPL 281 Nigeria Limited oversees the petroleum operations of Transcorp's oil block, OPL 281 located in Burutu, Delta State. Transcorp entered into a Production Sharing Contract (PSC) with the Nigerian National Petroleum Corporation (NNPC) for the development of OPL 281. Under the PSC, which is for a term of 25 years effective May 2, 2014, Transcorp holds 100% Contractor Participating Interest in the oil block. OPL 281 is an onshore block covering an area of 138 sq. km in the Western Delta region of Nigeria.

Financial Highlights

Group	31-Dec-17	31-Dec-16	Inc/ (Dec)
	N'mn	N'mn	%
Gross Earnings	80,285	59,425	35
Cost of Sales	43,860	29,259	50
Gross Profit	36,424	30,166	21
Administrative Expenses	11,752	10,377	13
Profit /(Loss) before tax	12,306	(5,928)	308
Profit /(Loss) after tax	10,607	(1,127)	1,041
Non-Current Assets	191,433	170,942	12
Current Assets	94,089	61,218	54
Total Assets	285,522	232,161	23
Share Capital	20,324	20,324	-
Shareholders' fund	95,708	86,449	11
Basic Earnings per share	11.70	(2.29)	611
Net Assets per share (kobo)	235	213	10
Number of employees	1,525	2,026	(25)
Company	31-Dec-17	31-Dec-16	Inc/ (Dec)
	N'mn	N'mn	%
Gross Earnings	5,122	2,538	102
Cost of Sales	-	-	-
Gross Profit	5,122	2,538	102
Administrative Expenses	2,357	2,331	1
Profit /(Loss) before tax	2,568	(440)	684
Profit /(Loss) after tax	1,869	(849)	320
Non-Current Assets	39,302	36,542	8
Current Assets	23,800	21,372	11
Total Assets	63,102	57,914	9
Share Capital	20,324	20,324	-
Shareholders' fund	35,607	30,945	15
Basic Earnings per share	4.60	(2.09)	320
Net Assets per share (kobo)	88	76	16
Number of employees	21	21	-
Proposed Dividend per share	N0.02	-	-

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Board of Directors

Mr. Tony O. Elumelu, CON
Mr. Adim Jibunoh
Mr. Emmanuel N. Nnorom
Olorogun O'tega Emerhor, OON
Dr. Stanley Inye Lawson
Mr. Kayode Fasola
Alhaji Abdulqadir Jeli Bello

Chairman
President/CEO
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Officers and Professional Advisers

Group Company Secretary

Mrs. Helen Iwuchukwu

Registered Office

38, Glover Road,
Ikoyi, Lagos, Nigeria

Auditors

PricewaterhouseCoopers

Chartered Accountants
Landmark Towers
5B Water Corporation Road
Victoria Island, Lagos

Bankers

United Bank for Africa Plc
First Bank of Nigeria Limited

Registrars and Transfer Office

Africa Prudential Plc

220B Ikorodu Road
Palmgrove, Lagos
Tel: 01-4612373-76

Directors' Profile



Tony O. Elumelu, CON
Chairman

Tony O. Elumelu is an economist, investor, and philanthropist. Mr. Elumelu chairs the privately-owned investment firm, Heirs Holdings, and Nigeria's largest quoted conglomerate, Transnational Corporation of Nigeria Plc (Transcorp Plc). He invests across Africa, primarily in the oil and gas, financial services, hospitality and power sectors. His investments are informed by his philosophy of Africapitalism: the belief that the private sector can lead Africa's economic renaissance and that investment should create both economic prosperity and social wealth.

Mr. Elumelu sits on several public and social sector boards including the United Nations Sustainable Energy for All Initiative (SE4ALL) and USAID's Private Capital Group for Africa Partners Forum (PCGA). He is the chairman of pan-African financial services group, United Bank for Africa, with presence in 19 African countries, and offices in Paris, London and New York. He is also the founder of the Tony Elumelu Foundation, which has seeded \$100 million through the Tony Elumelu Entrepreneurship Programme, to champion entrepreneurship across Africa over the next 10 years.



Adim Jibunoh
President/Chief Executive Officer

Adim Jibunoh is a First-Class graduate of Economics from the University of Port Harcourt and has a Masters in Business Administration from the University of Lagos. His career in the financial and non-financial services sector spans over three decades. His prior positions have included: Executive Director at Standard Trust Bank Plc; and the Chief Executive Officer of Continental Trust Bank. He is also a non-executive director of Avon HMO, United Capital Plc and Transcorp Hotels Plc where he heads some of the relevant Board Committees.

Over the years, he has attended several trainings and courses both in Nigeria and abroad including Harvard Business School, Advanced Management Courses in Lagos Business School, IMD Switzerland, and Citibank just to name a few.



Emmanuel N. Nnorom
Non-Executive Director

Emmanuel N. Nnorom is the Group Chief Executive Officer for Heirs Holdings Ltd. Prior to this, he was the President/CEO of Transcorp Plc, a position he held from September 2014 to May 2017. Mr. Nnorom served as the President/Chief Operating Officer of Heirs Holdings Group. He has also served as CEO of UBA Africa, overseeing United Bank for Africa's operations outside Nigeria and executing corporate strategy in 18 African countries. His other senior roles within UBA included Group COO, followed by his appointment as UBA's Group CFO, with responsibility for Finance and Risk.

He is a qualified chartered accountant and has over three decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College, a Prize winner and Fellow of the Institute of Chartered Accountants of Nigeria

Directors' Profile



Olorogun O'tega Emerhor, OON
Non-Executive Director

Olorogun O'tega Emerhor is known as a turnaround expert due to his involvement/leadership in many turnaround assignments both in the banking and manufacturing sectors. He holds a first-class degree in Accounting from the University of Nigeria. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), the Institute of Credit and Risk Management of Nigeria and the Academy for Entrepreneurial Studies, respectively. He is also a member of the Institute of Marketing Consultants.

Olorogun Emerhor is presently the Group CEO of Standard Alliance Group; Chairman, Transcorp Hotels Plc, owners of Transcorp Hilton Abuja; Chairman, Synetics Technologies Ltd and Heroes Group. He trained as a chartered accountant with the renowned PricewaterhouseCoopers and has worked in several banks, including Citi Bank, Fidelity Bank Plc and Guaranty Trust Bank Plc. He was the Managing Director of erstwhile Crystal Bank, now part of UBA.



Stanley Lawson
Non-Executive Director

Dr. Stanley I. Lawson holds both an M.Sc. degree in Petroleum Geology and an MBA in Finance from the University of Ibadan. He is the Managing Partner of Financial Advisory and Investment Consultants, an oil & gas sector focused financial advisory services firm. He is a widely-respected expert with multi-disciplinary professional experience spanning over three decades in the energy and financial sectors. He spent the early years of his career as a Resident Geologist/Drilling Engineer after which he proceeded to the Banking/Finance industry where he spent over 17 years rising to the position of Managing Director/Chief Executive of African Express Bank in 2003. Dr. Lawson also served as Group Executive Director, Finance and Accounts at the Nigerian National Petroleum Corporation (NNPC), a position he held for almost five years. He had core responsibilities for funding, budgeting and cash flow planning.

Dr. Lawson has attended several international leadership and management courses. He is presently concluding a doctoral programme at the University of Phoenix, Arizona.



Kayode Fasola
Non-Executive Director

Mr. Kayode Fasola is a professional banker with over 23 years of cognate experience covering all facets of banking and business strategy. He was at various times the Directorate Head, of Commercial Banking and Public Sector of the then National Bank and Wema Bank Plc.

He holds a B.Sc. degree in Agricultural Economics from the University of Ibadan and an MBA in Finance from Obafemi Awolowo University, Ile-Ife. Mr. Fasola also holds an MBA in Banking from Ladoko Akintola University Ogbomosho. He is an alumnus of the prestigious Lagos Business School and the London Business School. An Associate member of the Chartered Institute of Management and National Institute of Marketing of Nigeria. Mr. Fasola is an Honorary Senior Member, Chartered Institute of Bankers Nigeria. He is presently a Doctoral research fellow at Babcock University Ilishan, Ogun State, Nigeria

Directors' Profile



Alhaji Abdulqadir Jeli Bello
Non-Executive Director

Alhaji Abdulqadir Jeli Bello retired as an Executive Director from the United Bank for Africa Plc. in 2013, with very robust working experience of about 30 years which started with an accountancy and audit internship at the Deloitte, Haskins & Sells/ Adetona, Isichei & Co Sokoto office between 1985 and 1988. He later joined the then Gamji Bank of Nigeria Plc, rose to become the bank's Head of Credit Control & Policy and later Area Manager, North.

Alhaji Bello joined United Bank for Africa Plc in 1996 as part of the turnaround team that shaped the bank's future post privatization when he served as Senior Manager, Credit Assessment. He also led the team that set up the Risk Management structures and processes of United Bank for Africa Plc in 2003. He grew to become the bank's Chief Credit Officer and later Executive Director, Risk Management/ Chief Risk Officer. Abdulqadir Bello was also at different times the Executive Director in charge of UBA's business in the North.

Alhaji Bello holds a B.Sc. in Accounting from the Bayero University, Kano. He became an Associate member of the Institute of Chartered Accountants of Nigeria in 1990 and was subsequently conferred with a fellowship of the institution (FCA) in 2016. He is also a Fellow of the Institute of Credit Administration. His key area of interest is to champion the enthronement of world class Enterprise Wide Risk Management structures, processes and culture in our local institutions that will constitute the foundation for financially strong and healthy institutions and a robust national economy.

CEOs of Subsidiaries



Valentine Ozigbo
CEO, Transcorp Hotels Plc

Valentine Ozigbo has over 20 years' rich and varied experience in banking (commercial, retail, investment and international), business development and transformation and more recently, hospitality asset development and management.

Valentine holds a B.Sc. in Accounting and an MBA in Banking and Finance from the University of Nigeria, Nsukka. He graduated from Lancaster University, UK with a Distinction in M.Sc. Finance. He is also a Fellow of the Institute of Chartered Accountants of Nigeria and an Associate Member of the Chartered Institute of Taxation of Nigeria.



Kalyana Sundaram
CEO, Transcorp Power Limited

Kalyana Sundaram holds a Diploma in Mechanical Engineering from Government Polytechnic College, Coimbatore, India, a Bachelor's Degree in Mechanical Engineering from the Institution of Engineers, Calcutta, India and an MBA in Advanced Operations Management from the University Technical, Malaysia. He is a certified Boiler Operation Engineer from Boiler Inspectorate, Madras and a certified Energy Manager from Aptech Computer Education, India. He has over 3 decades of experience in power plant operations and maintenance spanning several continents and across multiple industries. Prior to joining Transcorp Power Limited, he was Plant Head overseeing the Operations and Maintenance of Power blocks for Sogex Oman India, 726 MW CCPP, Tripura, India.



Tony Chukwueke
Director, Transcorp Energy Limited

Tony Chukwueke is responsible for leading a team of specialists to develop the Company's Energy Portfolio including the acquisition of the 972 MW capacity Ughelli Power Plant. He has over 35 years global oil and gas experience in the upstream and downstream sectors. Holds a B.Sc. in Physics, an M.Sc. in Applied Geophysics and a Ph.D. in Geology, all from the University of Nigeria Nsukka. Tony is also the Technical Director of Tenoil Petroleum and Energy Services, an indigenous Nigerian Oil and Gas exploration and production firm wholly owned by Heirs Holdings. He provides support and consultancy services.

Executive Management Team



Adim Jibunoh
President/Chief Executive Officer

Adim Jibunoh is a First-Class graduate of Economics from the University of Port Harcourt and has a Masters in Business Administration from the University of Lagos. His career in the financial and non-financial services sector spans over three decades. His prior positions have included: Executive Director at Standard Trust Bank Plc; and the Chief Executive Officer of Continental Trust Bank. He is also a non-executive director of Avon HMO, United Capital Plc and Transcorp Hotels Plc where he heads some of the relevant Board Committees.

Over the years, he has attended several trainings and courses both in Nigeria and abroad including Harvard Business School, Advanced Management Courses in Lagos Business School, IMD Switzerland, and Citibank just to name a few.



Mrs. Helen Iwuchukwu
Group Company Secretary

Helen Iwuchukwu is the Group Company Secretary of Transnational Corporation of Nigeria Plc (Transcorp). Consequently, she serves as Company Secretary to 4 active Companies within the Transcorp Group including Transcorp Hotels Plc and Transcorp Power Limited. Helen joined Transcorp Plc in 2006 and has held a number of sensitive and senior positions at Transcorp and its subsidiaries in different capacities. She was previously the Company Secretary / Legal Adviser for Transcorp Group from October 2009 to February 2012. She holds an LL. B. (Hons) degree in Law from Abia State University. She was enrolled as a Solicitor and Advocate of the Supreme Court of Nigerian in 1993 (BL Hons) and holds a Master of Laws degree (LL. M.) from Middlesex University Business School, London. She specialises in Employment Law. Helen is a member of the Nigerian Bar Association and has acquired 25 years of professional work experience both in Nigeria and the United Kingdom in legal advisory, corporate law, corporate governance, administration, human capital management and government relationship management.



Christopher Ezeafulukwe
Group General Counsel and Head, Business Development

Christopher Ezeafulukwe the Group General Counsel and Head of Business Development. Holds an LL.B degree from the University of Lagos, a B.L (second class upper division) from the Nigerian Law School, an LL.M from the University of Lagos and another LL.M in Energy, Environmental & Natural Resources Law from the University of Houston, Texas. He is a member of the Nigerian Bar Association (NBA), Institute of Chartered Secretaries & Administrators of Nigeria (ICSAN), Association of International Petroleum Negotiators (AIPN) and Executive Council of Association of Power Generation Companies of Nigeria. With over 16 years working as an executive level professional, Chris has extensive experience in legal and transaction advisory and support services, as well as company secretarial and related practices. He has a strong background in in-house and external legal practice with a specialized ability to manage relationships with internal and external stakeholders.

Executive Management Team



Napoleon Esemudje
Director of Resources

Napoleon Esemudje is the Director of Resources providing group wide leadership for the shared services teams of Human Resources, Facility Management and Administration, Marketing and Corporate Communication as well as Information Technology. He has over 19 years' experience in roles cutting across corporate, commercial banking, general and human resources management. Napoleon holds a B.Sc. and an MBA from the Universities of Ibadan and Lagos respectively as well as an M.Sc. (with distinction) from the University of Birmingham (UK) which he attended as a Chevening Scholar. He is also an alumnus of the Lagos Business School Senior Management Programme and has attended executive management/leadership programmes at the Wharton School, University of Pennsylvania, Kellogg School of Management, North Western University, as well as the Cranfield University, School of Management amongst several others. He is a member of the Chartered Institute of Personnel Management (MCIPM), a Certified Human Resources Manager (CHRM), an honorary senior member of the Chartered Institute of Bankers (HCIB) of Nigeria and a member of the Society for Human Resources Management.



Chinweugo Nwafor
Head, Internal Audit

Chinweugo Nwafor is an astute audit professional with close to a decade of experience in Controls, Risk and Asset Management. She holds a degree in Accounting from the University of Nigeria, Nsukka. She is also an Associate of the Institute of Chartered Accountants of Nigeria. Chinweugo possesses a wealth of experience in Governance, Risk, Control and Compliance as well as financial management. She began her career in Ecobank and has also worked extensively with KPMG Professional Services and ARM Investment Managers where she served as the Head, Internal Audit and Control for ARM Life Plc. prior to joining Transcorp.



Mutiu Adekunle Bakare
Group Chief Financial Officer

Mutiu Bakare is an astute finance professional with over 15 years' experience in Finance Management. He holds a first-class degree in Accounting from Obafemi Awolowo University, Ile Ife, Osun state; an MBA from the University of Leicester, United Kingdom, as well as an M.Sc. (with distinction) in Finance and Investment from the University of Leeds, also in the United Kingdom. He is a fellow of the Institute of Chartered Accountants of Nigeria. Mutiu began his finance career in Akintola Williams Deloitte. He was the CFO of Afriland Properties Plc prior to joining Transcorp. He has also worked with KPMG Professional Services and Shell Nigeria Closed Pension Fund Administrators Ltd.



02

Strategy and
Business Review

Chairman's Statement



Distinguished Shareholders, Directors, Ladies and Gentlemen, I am delighted to welcome you to the 12th Annual General Meeting of your company, Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company"). Due to the strategic initiatives implemented in 2017, your company delivered exceptional financial results, which have laid a firm foundation for its performance in the years ahead.

Transcorp is present in critical areas of the Nigerian economy: Power, Hospitality and Energy. We are one of the country's largest employers and capital investors. When Transcorp does well, I know that Nigeria is doing well. This year gives me the confidence to say that the future is indeed looking brighter.

In accordance with my responsibility as Chairman therefore, I present to you our annual report for fiscal year 2017, highlighting the achievements of our operating divisions and setting out our key objectives for 2018.

GLOBAL ECONOMY – EVOLVING GROWTH STORY

The global economy continues to witness strong growth, amidst changing political landscapes in the United States of America, United Kingdom, China and the rest of Asia. Activity accelerated in the US, Eurozone, China, Japan, Russia, and Brazil, raising worldwide economic growth to 3.7%, from 3.2% in 2016.

During the year, Britain invoked Article 50 of the Lisbon Treaty to finalise the "no turning back agreement" on "Brexit", which commenced in 2016. This has led to spikes in imports price and raised inflation to new highs. For the first time in a decade, Bank of England raised interest rates. The eurozone experienced resurgent economic growth, on the back of strong sentiment in the consumer sector and rapid falls in unemployment.

The United States economy expanded robustly in 2017, with an improving labour market and relatively low inflation.

In December 2017, the global oil price reached its highest point since 2014, driven by the disciplined execution of the OPEC production cut, which was also joined by other non-OPEC member countries later in 2017. The Brent crude price reached US\$70 in January 2018. The rapid increase in oil price has assisted the Nigerian economy, helping the steady recovery from recession.

The global outlook for 2018 remains solid for both the Eurozone and United States, as well as the emerging markets. This will be driven by sustained consumer confidence and increased output levels in emerging markets. The International Monetary Fund

expects the global economy to accelerate by 3.8% driven by GDP growth in US, Eurozone and Asia.

NIGERIA ECONOMY – EXIT FROM RECESSION

After a prolonged economic slowdown, Nigeria exited from recession in Q2 2017. This was assisted by higher crude oil prices and increased production, supported by stability in the Nigeria Delta region. The Trans-Forcados pipeline was officially restored to operation in May 2017. This impacted crude oil production volumes. The Nigeria economy expanded by 1.4% in Q3 2017 from negative -1.73% in Q4 2016. Average oil production peaked to 2.03 million barrels of crude oil per day from Q3 2017, compared to 1.76mbpd in 2016. The increase in the crude oil price and production volume improved foreign exchange reserves from US\$28bn in Q4 2016 to US\$39bn in Q4 2017.

To address liquidity issues in the foreign exchange (FX) market, the Central Bank of Nigeria ("CBN") introduced the Investor and Exporter Foreign Exchange Window ("IEFX") in April 2017 to increase foreign exchange liquidity and sustain investors' confidence in the FX market. This policy stance significantly improved dollar liquidity levels, compared to 2016. The IEFX window paved the way for a more stable FX regime and a significant shift of FX demand from the parallel market. Although full FX convergence was not attained, the window ushered in significant FX inflows into the Nigerian market. The combined effect of this contributed in easing cost-push inflation from Q2 2017.

STAYING AHEAD IN AN EVOLVING LANDSCAPE

Your company remained focused on its long-term growth agenda and took advantage of the improvement in the economy to deliver a solid set of results, across the areas in which we operate. We operate in critical sectors of the economy, power, hospitality and oil and gas, and I present below our performance in these sectors.

The power sector continues to face systemic issues, which impede the ability of the generation companies to deliver on their mandates. However, the Federal Government has intensified its efforts to solve some of these issues. Some of these initiatives include the NBET N701b Payment Assurance Plan (PAP), the eligible customer policy, metering system and remittance of payments for exported power in the currency received.

To improve liquidity in the power sector, the Federal Government created an

intervention fund, N701b Payment Assurance Plan (PAP), which guarantees payment of 80% of invoices submitted by power generating companies (GENCOs). This payment is inclusive of 90% of gas invoices, which will be paid directly to the gas suppliers. So far, Transcorp Power Ltd has been paid for the 2017 invoices, up to July 2017. Our target is to fast track payment of our invoices, so that all arrears are cleared. Discussions are ongoing on the modalities for the payment of legacy debts prior to January 2017. Resolution of legacy debts will provide a substantial solution to the liquidity issues in the power sector.

The improved payments to gas suppliers via the PAP, the improvement in gas infrastructure and our tactical engagement with the gas suppliers resulted in stability in the gas supply during the year. This stability is reflected in your company's ability to increase its capacity utilisation. Your company is ranked number one for average daily power supply to the national grid for most months during the year.

In a major policy move, the Federal Government introduced "eligible customer declaration", which allows generation companies to sell power directly to certain eligible customers. This is aimed at solving the problem of stranded capacity within the power sector. Although there are concerns about the workability of this initiative, your company is closely following developments and is well positioned to take advantage of opportunities that will be created by this policy.

Constant load rejection, poor transmission infrastructure and outstanding legacy debt need to be solved. Power is the critical enabler of Nigeria's growth and needs to be our administration's number one policy priority.

In the hospitality industry, the performance of Transcorp Hotel Plc for year 2017 was impacted by the temporary closure of the Abuja airport, which reduced traffic to Abuja in the early part of the year and the ongoing upgrade of the Transcorp Hilton Hotel Abuja, which reduced the number of rooms available for sale.

Despite these events, Transcorp Hotels Plc continues to maintain its leadership position in the hospitality industry, as it distinguishes itself from its peers through service excellence and delivery of innovative products. The hotel was once again recognised as a world-class hospitality provider. The hotel was honoured with five major awards from the

"World Travel Awards", two major awards from the "World Luxury Hotel Awards" and two certificates of excellence from TripAdvisor. The hotel also won the 2017 "TripAdvisor Travellers' Choice awards for Hotels" as well as the "PEARL Sectoral Award for Service (Hotels and Lodging)".

Transcorp Hotels continued to reinvent its offerings, in keeping with its commitment to service excellence, as it introduced a wider variety of innovative products in 2017. These include the Hilton Golfing Weekend, the Weekender and life concerts aimed at increasing traffic into the hotel during the weekend.

Our second operating hotel, Transcorp Hotels Calabar increased profitability with a 172% increase in profit before tax, when compared to the prior year. The impressive performance was predicated on a strategy of increasing occupancy and proactive cost management, which allowed sufficient headroom to adjust room rates in response to local competition.

HIGHLIGHTS OF 2017 FINANCIAL PERFORMANCE

Transcorp continued on its growth trajectory and achieved strong revenue increase for the corporate centre and its consolidated subsidiaries ("the Group") despite a challenging operating environment:

- Gross Earnings for the Group increased by 35% to N80.3 billion (2016: N59.4 billion). Gross earnings for the Company increased 102% to N5 billion (2016: N2.5 billion)
- Operating income for the Group grew by 26% to N26 billion (2016: N20.7 billion). Operating income for the Company grew by 224% to N4.1 billion (2016: N1.3 billion)
- PBT for the Group grew by 308% to N12.3 billion (2016: N5.9 billion loss before tax). PBT for the Company grew by 684% to N2.6 billion (2016: N0.4 billion loss before tax)
- The Group's total assets grew by 23% to N285.5 billion from N232.2 billion in 2016. Similarly, the Company's total assets increased by 9% to N63.1 billion from N57.9 billion in 2016.

CHANGES TO THE BOARD

During the year, Adim Jibunoh was appointed President/ CEO of the Company and formally took office on June 1, 2017, replacing Emmanuel Nnorom who led the Company since August 2014. I would like to thank Mr. Nnorom for laying a strong foundation of good governance and achieving significant financial returns for the Company. I am very confident that Adim Jibunoh will accelerate growth in all spheres of our business.



Former President/CEO Transcorp Plc. Emmanuel Nnorom, Chairman, Transcorp Plc. Tony O. Elumelu, Executive Governor Delta State, Dr Ifeanyi Okowa and Honourable Minister of Power, Works & Housing, Babatunde Raji Fashola SAN at the commissioning of Transcorp Power Limited's Gas Turbine 15.

Emmanuel Nnorom has since then been appointed as a Non-Executive Director of our Company.

TOWARDS EXCELLENT EXECUTION IN 2018

Achieving excellence in the execution of our identified strategic imperatives remains critical to our success as an organisation. This continues to properly position us for the manifold opportunities in our economy and adequately insulate us from any challenges within our operating environment. Excellent execution will remain our philosophy, as we step into 2018.

Transcorp has remained committed and unrelenting under the current leadership to ensure the fulfilment of the purpose for which Transcorp was founded: to touch the lives of all Nigerians by creating value across critical sectors in our national economy.

Transcorp Power Limited

We closed the year 2017 with increase in available capacity from 505MW to 701MW. In 2018, we are poised to increase the available capacity to above 800MW, through recovery of additional capacity from our power generating assets. This keeps us on track to achieve our long-term target to be responsible for generation of 25% of the power consumed in our nation. We will continue to form strategic partnership with the gas suppliers and other stakeholders in order to ensure adequacy of the quantity and quality of gas supply.

Transcorp Hotels Plc

The ongoing upgrade of Transcorp Hilton Abuja is expected to be completed by the middle of 2018. These major improvements in our facilities will further strengthen our position as the leading luxury hotel in Nigeria. Also, in furtherance of our expansion program, Transcorp Hotel Plc is exploring acquisition of existing hotels in Lagos to take advantage of opportunities this will present.

Our intent is to continue to maintain Transcorp Hotels Calabar on a track of profitability by reinforcing our initiatives around excellent service delivery, cost management and upgrade of existing facilities.

Teragro Commodities Limited

After careful consideration of the continued fit of Teragro with our long term strategic objectives, the Board decided to put a hold on new investments in the company and consider options for divesting its interest. We have received the consent of all stakeholders specifically the Benue State Government on this initiative.

Transcorp OPL 281

We have successfully obtained NNPC's approval for extension of the Phase 1 Exploration Period for OPL 281 PSC. This has given us additional time to fulfil our work commitments, including drilling of the appraisal wells, under the 1st Phase of the PSC.

We are positive that further engagements with investors will lead to effective execution of OPL 281 work obligations, as provided under the PSC.

APPRECIATION

Despite the challenging environment, the Board and Management of your company remain steadfast in efforts to consolidate on the significant achievements recorded to date. We are poised to take advantage of all the opportunities that will arise in 2018 and are committed to delivering excellent results on all our projects.

I would like to take this opportunity to appreciate our esteemed shareholders for their valuable support during the year, as well as our hardworking employees for their unwavering commitment towards achieving our vision of creating sustainable value for our stakeholders.

I also thank the Board of Directors and Executive Management for their invaluable contribution towards the continued progress of our Company.

Thank you.

Tony O. Elumelu, CON
Chairman, Board of Directors

President/CEO's Report



Distinguished Shareholders, Directors, Ladies and Gentlemen, it is with great pleasure that I welcome you to the 12th Annual General Meeting of your company, Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company").

I am delighted to present to you the financial and operating results of your company for the year ended 31 December 2017.

Economic and Sectoral Overview

2017 was a remarkable year for Nigeria, as the country exited recession after a prolonged contraction in Gross Domestic Product (GDP) and significant slowdown in economic activities. The economy posted a GDP growth of 1.4% in 2017 as against a negative -1.73% in 2016. The improvement in economic performance has been attributed to increase in oil price and production as well as the implementation of a deliberate recovery action plan by the Federal Government. Oil price rebounded from its lowest of \$27 per barrel (Brent crude) in 2016 to \$67.10 per barrel in 2017. Oil production also increased from 1.76 million barrels per day in 2016 to 2.03 million barrels in the third quarter of 2017. The increase in oil price was attributable to the production cap by OPEC while the increase in output was achieved through a de-escalation of hostilities in the Niger Delta region.

In its response to volatile foreign exchange market, the Central Bank of Nigeria introduced many administrative measures which include the introduction of a trading window for Investors & Exporters (I&E) at market determined

rates. The I&E window restored stability in the system as parallel market rates crashed from a high of N500/\$ to N365/\$ on the back of improved liquidity. Naira remained stable for most of 2017 and is expected to strengthen slightly as the economy continues to recover.

In a bid to restore growth, the FG signed a peace accord with Niger-Delta militants early in 2017. This, together with the fixing of gas infrastructure and increased liquidity via Payment Assurance Plan (PAP), resulted in increased gas supply during the year. The increase in gas supply resulted in upswing in power production. Transcorp Power Limited's average daily generation moved from 278MW in 2016 to 560MW in 2017. Transcorp Power Limited (TPL) maintained a top-three position in daily power generation amongst all the generating companies (GENCOs) in Nigeria.

During the year under review, in recognition of the critical role that energy and access to electricity play in economic growth, the Federal Government commenced the implementation of the N701b PAP. The

PAP is for a two-year period, beginning in January 2017 and guarantees payment of 80% of invoices submitted by GENCOs to NBET inclusive of the amount received directly from the power distribution companies (DISCOs). The PAP also covers 90% of gas invoices which are paid directly to gas suppliers. As at the time this report was prepared, TPL had received payments under the PAP for its invoices up to July 2017. However, the PAP is not focused on addressing the existing liabilities of Nigeria Bulk Electricity Trading Plc (NBET) to GENCOs prior to January 2017. There is currently an on-going engagement with the Federal Government on the modalities for the payment of this pre-2017 debt.

In February 2017, the Federal Government announced the temporary closure of the Abuja Airport for six weeks, to carry out major repairs and maintenance works. This resulted in the cancellation of major events that were scheduled to take place at the Transcorp Hilton Abuja during the period. In addition, foreign delegations cancelled scheduled key visits to Abuja due to the absence of the President from the country for over 3 months on medical

grounds. These factors negatively affected the performance of Transcorp Hotel Plc, our subsidiary that owns Transcorp Hilton Abuja. Notwithstanding the impact of these events and developments, Transcorp Hotels Plc was able to sustain its profitable position and maintain its leadership position in the hospitality industry.

Operating Results and Financial Performance Review

Revenue

Gross earnings realised for the Group in 2017 was N80.3bn as opposed to N59.4bn in 2016. The growth of 35% was mainly due to increase in power generation by TPL.

Profit

Cost of sales ("COS") increased from N29.26bn in 2016 to N43.86bn in 2017 representing 50% year-on-year increase. This was due to increase in cost of gas for power generation. Gross profit for the Group was N36.4bn, an increase of 21% from N30.2bn posted in 2016.

Group operating profit was N26.0bn, representing 26% growth over N20.7bn posted in 2016. This was driven by growth in revenue and continuous implementation of articulated cost management strategies across the Group.

Profit before tax was N12.3bn in 2017 compared to loss before tax of N5.9bn in 2016. The profit was driven by revenue growth by the Group and drastic reduction in the level of unrealised exchange loss for the year. The reduction in the impact of exchange loss was achieved through conscious engagement with our lenders and by exploring new sources for availability of foreign exchange on the backdrop of stable foreign exchange rate.

Profit after tax stood at N10.6bn compared to loss after tax of N1.1bn in 2016.

Assets

Total Assets for the Group stood at N285.5bn in 2017, compared to N232.2bn in 2016. Increase in property plant and equipment and trade and other receivables accounted for growth in total assets. Trade and other receivables grew, following increase in underlying revenue for TPL.

From the numbers reviewed above, it is evident that the Group delivered a strong result for the year, as supported by growth in revenue, gross margins, operating profit and profit after tax. We will continue to give adequate attention to the foreign exchange loss issue and

work with our lenders to minimize the impact of the loss on our operation. We have commitments for conversion of the acquisition finance loan from all our local banks, subject to sourcing requisite USD liquidity within favourable terms. We are equally exploring multiple sources of liquidity based on the policy actions and specific approvals.

Key Business Achievements in 2017

Hospitality

Operations

Our flagship property, Transcorp Hilton Abuja, continues to maintain its leadership position in the hospitality industry despite the effects of the Abuja airport closure and the ongoing upgrade on its earnings for the year. The hotel closed the year with occupancy rate of 63%, which was well ahead of competition. In line with our core values of enterprise, execution and excellence, we closely monitored our operational costs without sacrificing on quality. Room rates and prices of our food, beverages and ancillary revenue sources were periodically reviewed to support our superior offerings.

In validation of Transcorp Hilton Abuja's position as Nigeria's premium luxury hotel, we hosted a significant number of high profile guests, some of whom were on state visits. This contributed to our above indicated strong occupancy showing.

The turnaround initiatives for Transcorp Hotels Calabar continued to yield positive results as the hotel recorded a 172% growth in profit before tax (PBT) by posting a PBT of N90m compared to N33m posted in 2016. We will continue to pursue our strategy of increasing occupancy and proactive cost management.

Projects

Transcorp Hilton Abuja

The vigorous pursuit of the upgrade and refurbishment of the Transcorp Hilton Abuja continued during the year under review. Floors 6 to 10 have been completed and included in our available room inventory for sale. The upgraded and renovated rooms are repriced at premium rates. Despite the price increase, there are lots of excitement among our guests due to the premium quality finish given to the completed rooms. Our guests and customers eagerly await the completion of the upgrade and completion of the remaining floors for which work is on-going. The remaining floors and the external areas currently under construction will be completed by July 2018.

The refurbished elevators have been fitted with additional security features to guarantee privacy and safety of our valued guests. Completion of the remaining elevators are on schedule for April 2018. The new Driver's Village and Shehu Shagari Way Gate House have been opened for operations. Work on the other external areas is progressing steadily.

Preliminary work for construction of a 5,000-seater conference facility is ongoing. Tenders for construction works have been completed and the preferred contractor selected. We are currently engaging with the preferred contractor on value engineering initiatives to optimise cost prior to commencement of construction.

Transcorp Hilton Lagos

Foundation piling for the hotel complex has been concluded. Title documents are being processed for additional plots of land acquired to ensure that the intended premium property is achieved. Detailed design works are already completed. Planning approval is being processed and will be concluded after all title documents are perfected.

Transcorp Hilton Port Harcourt

Land acquisition and clearing of the property have been concluded. We are in the process of completing the schematic design of the hotel, while processing necessary approvals for the development. All title documents to the properties have been obtained.

Awards & Recognition

World Travel Awards 2017

Transcorp Hilton Abuja, for the fifth year in a row, emerged as the proud recipient of five prestigious awards at the 24th World Travel Awards:

- Africa's Leading Business Hotel
- Nigeria's Leading Business Hotel
- Nigeria's Leading Hotel
- Nigeria's Leading Hotel Suite (the Presidential Suite)
- Nigeria's Leading MICE Hotel

The World Travel Awards brand is recognised globally as the ultimate hallmark of industry excellence.

Trip Advisor

Transcorp Hilton Abuja once again won the 2017 TripAdvisor Travellers' Choice awards for Hotels. TripAdvisor awards highlight the world's top properties based on millions of reviews and opinions sourced from travellers around the globe.

2017 Seven Stars Luxury Hospitality and Lifestyle

At the Seven Stars Luxury Hospitality and Lifestyle Awards, Transcorp Hilton received the Signum Virtutis "The Seal of excellence" in the Hotels and Resorts Category for 2017. The hotel was also conferred as the leader in luxury hospitality innovation in Nigeria.

Transcorp Hilton Abuja, is the first and only Nigerian hotel to win the awards for two years running.

Power

We undertook a proactive and deliberate strategy to increase our available capacity to take optimal advantage of the improvement in gas availability. This was achieved through carefully planned maintenance program for our power generation assets and tactical engagement with stakeholders.

Specifically, we fast-tracked the delivery of Gas Turbine 15 and 20 which were out for repairs. As a result, our available generation capacity increased to 701MW at year-end 2017 compared to 505MW in 2016. We expect to achieve over 800MW available capacity by year-end 2018. This will put us in a position to realize our long-term target to be responsible for generating 25% of the power consumed in Nigeria.

We equally continued to engage with NCC in order to maintain optimal load on our generating turbines. We are supporting the National Grid by offering free governor mode operations as well as providing black start facilities.

We improved on the valuable relationship built with our gas suppliers. This, together with other factors, ensured relative stability in gas supply in 2017 compared to 2016. We see gas as the most critical input for our power generation operations and as such continue to explore new sources for gas supply beyond existing arrangements. In the medium term, we see a strategic fit with our oil block asset, OPL 281 which initial studies revealed to be a gas-rich block and is located 25 kilometres to the power plant. We are also engaging with gas producers, who have abandoned gas fields near the plant to seek partnership for exploitation of same to our benefit.

Agriculture

Our careful review of the long-term proposition of our play in the juice concentrate market revealed a number of issues. As a result of this, the Board

decided to exit our investment in Teragro Commodities Limited. We proactively engaged Benue State Government, a key stakeholder and are currently working together towards identifying suitable partners to drive the value proposition of the business going forward. We expect to close a transaction in a timely manner and maximize benefits for stakeholders.

The decision to exit Teragro is not expected to have any significant impact on the Group's business as Teragro contributed less than 0.03% of Group revenue and 0.21% of Group assets.

Oil and Gas

We continued our forward push towards developing OPL 281 oil block and fulfilling our work obligations under the Production Sharing Contract (PSC) entered with Nigerian National Petroleum Corporation (NNPC). This was further enhanced by NNPC's extension of Phase 1 of the Exploration Period by one year. The extension has given us additional time to complete our work commitments under that phase, and ultimately deliver on our work obligations under the PSC. This is critical to achieving our key objective of discovering hydrocarbons in commercial quantity, and the resultant conversion of the oil prospecting license to an oil mining lease (OML).

During the year under review, we also held significant engagements with Sacoil Holdings Limited (now Efora Energy Limited, "Efora"), which resulted in both sides reaching an understanding on the key issues that led to litigation by both parties. We entered into renegotiations for assignment of the 40% participating interest in OPL 281 to Efora and the joint operating agreement that would govern and advance our partnership for the development of the oil block. Given the renewed commitments shown by Efora and us, we are positive that a stronger partnership would emerge towards the successful development of OPL 281 oil block.

2018 Outlook

We are positioning for an improved economy in 2018, following recent improvement in both oil production as well as international oil prices. Against this backdrop, we intend to take full advantage of opportunities within our operating space and remain resolute in executing all our under-listed strategic priorities.

- Maintain effective occupancy rate of 70% of available stock of rooms while the upgrade is going on.

- Conclusion of various upgrade projects at Transcorp Hilton Abuja to reinforce our market leadership with a potential to deliver higher occupancy at appropriate rates.
- Continue to push the expansion agenda in s developing Ikoyi & Port Harcourt properties for the hotel.
- Continue the turnaround initiatives to maintain the profitability track for Transcorp Hotels Calabar.
- Ramp up power generation capacity to take advantage of the improvement in gas supply with a target available capacity of above 800MW.
- To advance discussion on direct power sales to eligible customers. We are currently engaging with appropriate regulatory bodies and contractual parties to secure requisite approvals and consents in this regard. We are also engaging the electricity distribution company covering our operating zone to widen our options for captive market transactions.

Conclusion

As the year 2018 is gradually unfolding, the Board and Management remain committed to ensuring that Transcorp achieves strong financial results. We will continue to be driven by our values of execution, enterprise and excellence and will ensure optimal maximization of opportunities in our operating sectors, and indeed other sectors with openings for opportunistic investments.

I want to seize this opportunity to appreciate our shareholders for their unwavering support to the Board and Management of the company. I assure you that we will continue to strive relentlessly to ensure more successful performances by the company. Also, I will seize this opportunity to thank the entire management team and all staff of Transcorp for their dedication, hard work and loyalty. Finally, I thank the Chairman and all Board members for their exemplary leadership, guidance and ever-reliable support.

Thank you.



Adim Jibunoh
President/CEO



Legacy & Leadership: Former President/CEO Emmanuel Nnorom, Chairman, Tony O Elumelu and current President/CEO Adim Jibunoh at CEO Baton passing ceremony.



Subsidiary CEOs: Valentine Ozigbo, MD/CEO Transcorp Hotels Plc, Kalyana Sundaram, CEO, Transcorp Power Limited.



Transcorp Plc shareholder, Boniface Okezie, President/CEO Transcorp Plc, Adim Jibunoh and SVP-Development EMEA Hilton, Patrick Fitzgibbon at the 30th Anniversary Celebration of Transcorp Hilton Abuja.



Newly appointed President/CEO, Transcorp Plc, sounds closing gong at Nigerian Stock Exchange.



President/CEO Transnational Corporation of Nigeria Plc, Adim Jibunoh addresses Singaporean Delegation at Transcorp Plc. Corporate Centre.



Managing Director/CEO, Transcorp Hotels Limited Plc, Valentine Ozigbo; President/CEO, Hilton Hotels, Chris Nassetta; Chairman, Transnational Corporation of Nigeria (Transcorp) Plc, Tony O Elumelu; and Executive Vice President and President of Global Development, Architecture & Construction, Hilton Worldwide, Ian Carter, at the signing of a 20-year extension to the current agreement to manage the iconic Transcorp Hilton Hotel, Abuja, by Hilton Hotels held at Washington DC.



CEO Transcorp Hotels Plc, Valentine Ozigbo receiving a landmark second Seven Stars Award for Transcorp Hilton Abuja.



Honourable Minister, Power, Works & Housing, Babatunde Raji Fashola, Executive Governor of Delta State, Dr Ifeanyi Okowa and Chairman, Transcorp Plc, Tony O. Elumelu, CON at the commissioning of Transcorp Power Limited's Gas Turbine 15.



03

Governance

Corporate Governance Report

Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company") is committed to improving lives through strategic investments in sectors that positively impact Nigerians. For this reason, we are committed to high standards of Corporate Governance. At Transcorp, good corporate governance is at the centre of our businesses and an important ingredient in creating and sustaining value for our stakeholders. During the year ended 31 December 2017, Transcorp complied with the provisions of the Corporate Governance Code issued by the Securities and Exchange Commission (SEC), its Board and Board Committees Governance Charter and all Company policies, rules and regulations of its Regulators.

1. Overview

In the year 2017, the Company further entrenched best practices in corporate governance by formulating new Policies that will enhance performance, make the business more sustainable and uphold the Company's brand equity by carrying all stakeholders along. In realizing these objectives, the Board is effectively supported by its committees namely, the Board Audit & Governance Committee (BAGC) and the Finance & Investment Committee (FIC).

The existing governance policies approved by the Board of Directors remained operational and were revised where necessary throughout the period under review, while some new Policies were introduced Group-wide or at subsidiaries to strengthen corporate governance.

The Policies include but are not limited to the following:

- Group Policy Governance Framework
- Board Governance and Board Committees Governance Charter;
- Executive Management Charter
- Subsidiary Governance Charter
- Delegation of Authority / Expense Empowerment Policy
- Code of Ethics
- Audit Charter
- Whistleblowing Policy
- Complaints Management Framework
- Enterprise Risk Management Framework
- Sustainability Policy
- Procurement Policy
- HR Manual
- Cash Management Policy; and
- IT Policy

2. Board of Directors

2.1 General

The composition of the Board of Directors is as follows;

- There are seven (7) members made up of one executive (the President/CEO) and six (6) non-executive directors. Out of the six (6) non-executives, one (1) is an independent director.
- In accordance with the provisions of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 (CAMA), the SEC Code of Corporate Governance and the Board Governance Charter of the Company, the Chairman of the Board of Directors is a non-executive director, he does not sit on any board committee or subsidiary board and he presides over Board and general meetings
- Board members are all successful individuals from diverse sectors and possess the required skills and experience, thereby providing a good mix to complement the Company's strengths and provide strategic direction to management in the sectors in which Transcorp operates.

In accordance with its 2017 Board Calendar, the Board met four times in the year 2017. All Directors attended all Board meetings in 2017. The details of Directors' attendance of Board meetings are disclosed on page 27 of the Annual Report.

The Board has through its Delegation of Authority / Expense Empowerment Policy, defined the extent and the limits of Management's power and authority to run the day-to-day operations of the Company. Matters reserved for the Board Committees are also defined and limited by the Policy and any responsibility not delegated remains with the Board.

At year end, the performance of the Chairman, Company Secretary, Directors, Board Committees and the full Board was evaluated by an external consulting firm, rated and KPIs were set.

2.2 Membership of the Board

During the year under review, only one change occurred in the composition of the Board of the Company. Mr. Adim Jibunoh was appointed President/CEO of the Company to replace Mr. Emmanuel N. Nnorom, who was retained on the Board as a non-executive director. Consequently, the Board of Directors of the Company comprised the following as at the end of the year:

S/N	Directors	Date appointed to the Board	Date(s) re-elected	Comments
1.	Mr. Tony O. Elumelu, CON	April 14, 2011	June 21, 2013, April 29, 2016	
2.	Olorogun O'tega Emerhor, OON	August 30, 2007	March 31, 2014, March 29, 2017	
3.	Mr. Emmanuel N. Nnorom	December 16, 2013 June 1, 2017	N/A	
4.	Dr. Stanley Inye Lawson	September 19, 2011	June 21, 2013, May 8, 2015	
5.	Alhaji Abdulqadir Jeli Bello	April 1, 2014	March 29, 2017	
6.	Mr. Kayode Fasola	December 16, 2009	May 8, 2015	
7.	Mr. Adim Jibunoh	June 1, 2017	N/A	President/CEO

N/A means "Not applicable".

2.3 Board Meeting Attendance

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended
Mr. Tony O. Elumelu, CON	4	4	21 Feb 2017, 26 April 2017, 19 July 2017, 26 Oct. 2017
Mr. Emmanuel Nnorom	4	4	21 Feb 2017, 26 April 2017, 19 July 2017, 26 Oct. 2017
Olorogun O'tega Emerhor, OON	4	4	21 Feb 2017, 26 April 2017, 19 July 2017, 26 Oct. 2017
Mr. Kayode Fasola	4	4	21 Feb 2017, 26 April 2017, 19 July 2017, 26 Oct. 2017
Mr. Adim Jibunoh	2	2	19 July 2017, 26 Oct. 2017
Dr. Stanley Lawson	4	4	21 Feb 2017, 26 April 2017, 19 July 2017, 26 Oct. 2017
Alhaji Abdulqadir Jeli Bello	4	4	21 Feb 2017, 26 April 2017, 19 July 2017, 26 Oct. 2017

3. Board Committees & Executive Management Committee

3.1 Board Audit & Governance Committee (formerly Nominations & Governance Committee)

The Terms of Reference of the Board Audit & Governance Committee (BAGC) include the following:

- Establish procedures for the nomination of Directors.
- Advise and recommend to the Board the composition of the Board.
- Approve recruitments, promotions, redeployments and disengagements for the Company/Group heads of departments that make up the Executive Management Committee
- Review and evaluate the skills of members of the Board.
- Recommend to the Board compensation for all staff of the Company and subsidiary Boards.
- Advise the Board on corporate governance standards and policies.
- Review and approve all human resources and governance policies for the Group.
- Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.
- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- Any other function assigned to it by the Board.

During the year under review, the Committee was renamed and reconstituted. It considered Group and Company staff matters, board and staff remuneration, board nomination, policy reviews, pending litigation and audit matters in line with its mandate and made recommendations to the Board. Effective July 18, 2017, the composition of the reconstituted Committee is as follows:

- | | | |
|---------------------------------|---|----------|
| 1. Mr. Kayode Fasola | - | Chairman |
| 2. Mr. Emmanuel N. Nnorom | - | Member |
| 3. Dr. Stanley Lawson | - | Member |
| 4. Alhaji Abdulqadir Jeli Bello | - | Member |

The table below shows the frequency of meetings of the BAGC and members' attendance:

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended
Mr. Kayode Fasola	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017
Alhaji Abdulqadir Jeli Bello	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017
Mr. Emmanuel N. Nnorom ¹	2	2	18 July 2017, 24 Oct. 2017
Dr. Stanley Lawson ¹	2	2	18 July 2017, 24 Oct. 2017

¹Mr. Emmanuel N. Nnorom and Dr. Stanley Lawson were appointed as members of the BAGC after the reconstitution of the Committee and change of name from NGC to BAGC.

3.2 Finance and Investment Committee

The Terms of Reference of the Finance and Investment Committee (FIC) include the following:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting.
- Provide oversight on financial matters and the performance of the Group.
- Review and recommend investment opportunities or initiatives to the Board for decision.
- Recommend financial and investment decisions within its approved limits.
- Ensure that effective system of financial and internal control is in place.
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Group.
- Monitor and evaluate on a regular basis, the qualifications and performance of the financial control department.

During the year 2017, the Committee amongst other things, reviewed the Group and Company's financial performance against budget, quarterly financial results, process of accepting credit facilities from financial institutions, tax related matters, funding requirements of operating businesses, budgets, risk profiles and mitigation strategies, key investments, proposed investment opportunities and more. The Committee took certain decisions on the above-mentioned matters and made recommendations to the Board for approval where necessary.

The Committee comprises:

- | | | | |
|----|------------------------------|---|----------|
| 1. | Alhaji Abdulqadir Jeli Bello | - | Chairman |
| 2. | Mr. Emmanuel N. Nnorom | - | Member |
| 3. | Mr. Kayode Fasola | - | Member |
| 4. | Mr. Adim Jibunoh | - | Member |

The table below shows the frequency of meetings of FIC and members' attendance:

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended
Alhaji Abdulqadir Jeli Bello	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017
Mr. Emmanuel Nnorom	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017
Mr. Kayode Fasola	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017
Mr. Adim Jibunoh ²	2	2	18 July 2017, 24 Oct. 2017

3.3 The Statutory Audit Committee

In addition to its statutory functions under CAMA and its functions outlined in the SEC Code of Corporate Governance, the Statutory Audit Committee (SAC) is broadly empowered to, amongst other things; review the Group and Company's financial reporting process, its system of audit, internal control and management of financial risk with a view to ensuring compliance with statutory, regulatory and professional requirements. The Committee, which also reviews the performance of external auditors to the Company, approves the audit Plan and the Internal Audit charter, is properly constituted. It comprises three shareholders and three non-executive directors with one of the shareholders as its Chairman. In addition, the Committee is empowered to engage the services of independent consultants in the general discharge of its duties.

²Adim Jibunoh was appointed on June 1, 2017

The Committee members are:

- | | | | |
|----|------------------------------|---|----------|
| 1. | Mr. John Isesele | - | Chairman |
| 2. | Mr. Mathew Esonanjo | - | Member |
| 3. | Alhaji Abu Jimah | - | Member |
| 4. | Mr. Kayode Fasola | - | Member |
| 5. | Dr. Stanley Lawson | - | Member |
| 6. | Alhaji Abdulqadir Jeli Bello | - | Member |



Mr. John Isesele
Chairman, Shareholders' Representative



Mr. Mathew Esonanjo
Member, Shareholders' Representative



Alhaji Abu Jimah
Member, Shareholders' Representative



Mr. Kayode Fasola
Member, Board Representative



Dr. Stanley Lawson
Member, Board Representative



Alhaji Abdulqadir Jeli Bello
Member, Board Representative

The table below shows the frequency of meetings of the SAC and members' attendance

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended	Dates of meetings not attended
Mr. John Isesele	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017	NA
Mr. Kayode Fasola	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017	NA
Dr. Stanley Lawson	4	3	20 Feb 2017, 18 July 2017, 24 Oct. 2017	25 April 2017
Alhaji Abdulqadir Jeli Bello	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017	NA
Mr. Mathew Esonanjo	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017	NA
Alhaji Abu Jimah	4	4	20 Feb 2017, 25 April 2017, 18 July 2017, 24 Oct. 2017	NA

3.4 Executive Management Committee

The Executive Management Committee (EMC) is charged with the following responsibilities:

- Articulating the strategy of the Group and recommending same to the Board for approval.
- Discussing strategic matters and their impact on the Group's investment portfolio.

- Articulating the manner through which investment sectors/new business areas and geographies will be chosen and making recommendations to the Board in that regard.
- Recommending to the Board the framework or policy for investment; and monitoring the implementation of investment procedures.
- In line with Board approvals, outlining of philosophy, policy, objectives and resultant tasks to be accomplished.
- Recommending to the Board, structures and systems through which activities are arranged, defined and coordinated in terms of specific objectives.
- Preparing annual financial plans for the approval of the Board and ensuring the achievement of set objectives.
- Reviewing and approval of the structure and framework for performance reporting of subsidiary companies.

The Executive Management Committee comprises:

1. President/CEO
2. Group Chief Financial Officer
3. Group Company Secretary
4. Group General Counsel
5. Director of Resources
6. Head, Business Development
7. Head, Internal Audit & Compliance
8. CEOs of Subsidiaries

4. Internal Control / Audit

The entire staff and Management of Transcorp take ownership and responsibility for protecting the Company against fraudulent transactions. However, the Internal Auditor is specifically entrusted with this responsibility. The Internal Auditor also takes responsibility for ensuring and promoting compliance with statutory and regulatory requirements, including internal policies approved by the Board.

The primary functions of Internal Audit are to review transactions entered into by the Company to ensure accuracy, completeness and compliance with laid down procedures. Internal Audit also provides assurance to the Board and Management that internal control processes are in place and adequate.

The Head of Internal Audit reports directly to the Statutory Audit Committee Chairman and in the year 2017, the adequacy of the internal audit function was reviewed by an external consulting firm.

5. Relationship with Shareholders

The Company maintains an effective continuous communication with its shareholders all year round. This enables them to understand our business, financial condition and operating performance and trends. Apart from our annual report, financial statements, market updates, regulatory disclosure requirements, media statements and formal shareholders' meetings, the Company website provides information on a wide range of matters for all stakeholders and provides a complaints management procedure and whistleblowing process with feedback options.

5. Investor Relations

The Company has an Investors Relations Unit under the Finance department which holds regular Investors conferences to brief all stakeholders on operations of the Company. We also regularly brief the regulatory authorities, and file statutory returns which are usually accessible to the shareholders via market news.

7. Directors' Remuneration Policy

The Board's remuneration policy is structured taking into account the environment in which it operates and the results it achieves at the end of each financial year. It is reviewed regularly to meet economic realities.

Directors' Report

The Directors present their annual report on the affairs of Transnational Corporation of Nigeria Plc ("the Company" or "Transcorp Plc") and its subsidiaries (together "the Group") together with the audited financial statements for the year ended 31 December 2017, to the members of the Company. This report discloses the state of the Company and the Group.

1. Legal Form

The Company was incorporated on November 16, 2004 as a public limited liability company domiciled in Nigeria in accordance with the requirements of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004. Following a successful initial public offer (IPO), the Company was listed on the Nigerian Stock Exchange in December 2006. The shares of the Company have continued to be traded on the floor of the Exchange. The Company maintains controlling interests in the following companies, referred to as portfolio companies:

- Transcorp Hotels Plc
- Transcorp Power Limited
- Transcorp Hotels Calabar Limited
- Transcorp Energy Limited
- Transcorp OPL 281 Nigeria Limited
- Teragro Commodities Limited
- Capital Leisure and Hospitality Limited
- Transcorp Hotels Ikoyi Limited
- Transcorp Hotels Port Harcourt Limited
- Transcorp Properties Limited
- Transcorp Staff Share Ownership Trust Company Limited³
- Transcorp Telecomms Limited³
- Transcorp Trading and Logistic Limited³
- Transcorp Refining Co. Limited⁴

2. Principal Activities

The Company's business is investment in, and operation of, portfolio companies in the hospitality, power, agriculture and oil and gas sectors. The Company has retained subsidiaries and affiliates providing services and sale of goods in these sectors.

³ Currently undergoing voluntary winding up proceedings

⁴ This company was wound up in February 2018 by voluntary winding up.

3. Results

The Company and Group's detailed results for the year ended 31 December 2017 are set out on pages 48 to 101 of this report.

4. Directors Shareholding and their Interests

The Directors who held office during the year, together with their direct and indirect interests in the shares of the Company are as follows:

S/N	Name of Directors	Direct	Indirect	Indirectly Held through	Total No. of Shares Held	% Holding
1.	Mr. Tony Elumelu, CON	273,104,041	737,627,515	HH Capital Limited	1,010,731,556	2.49
2.	Mr. Adim Jibunoh ¹	2,000,000	Nil		2,000,000	0.01
3.	Mr. Emmanuel N. Nnorom	Nil	11,403,487	Vine Food Limited	11,403,487	0.03
4.	Olorogun O'tega Emerhor, OON	Nil	1,093,050	Standard Alliance Plc	1,093,050	0.00
5.	Mr. Kayode Fasola	1,575,000	Nil		1,575,000	0.00
6.	Dr. Stanley Inye Lawson	122,790,102	Nil		122,790,102	0.30
7.	Alhaji Abdulqadir Jeli Bello	525,000	Nil		525,000	0.00
	Total	399,994,143	750,124,052		1,150,118,195	2.83

5. Dividend

The Directors recommend a final dividend of **N812,959,820** or **N0.02 kobo** per share of the outstanding ordinary shares of **40,647,990,293** to be paid to shareholders of the company for the period ended December 31, 2017.

6. Directors' Interests in Contracts

None of the directors notified the Company of any interest in contracts for the purpose of section 277 of the Companies and Allied Matters Act, of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

7. Alternate Directorship

There was no alternate directorship during the year under review.

8. Shareholding Analysis

The shareholding structure of the Company is as follows:

Shareholder	No. of holders	Percent	Units	Percent
1 - 9,999	215,522	75%	541,240,165	1%
10,000 - 99,999	56,381	20%	1,354,166,312	3%
100,000 - 999,999	10,123	4%	2,577,939,207	6%
1,000,000 - 9,999,999	1,503	1%	3,391,740,088	8%
Above 10,000,000	184	0%	32,782,904,521	82%
Total	283,713	100%	40,647,990,293	100%

¹Adim Jibunoh was appointed on June 1, 2017

Share Capital History

Date	Authorised from Units	Authorised to Units	Issued from Units	Issued to Units	Consideration
2004	Nil	100,000,000	Nil	100,000,000	Cash
2006	100,000,000	200,000,000	25,000,000	50,000,000	Stock Split
2006	200,000,000	36,000,000,000	50,000,000	18,553,905,526	Cash
2007	36,000,000,000	36,000,000,000	18,553,905,526	25,813,998,283	Cash
2013	36,000,000,000	45,000,000,000	25,813,998,283	38,720,996,425	Right Issue
2016	45,000,000,000	45,000,000,000	38,720,996,425	40,647,990,293	Bonus Issue

9. Substantial Interest in Shares

No shareholder held up to 5% of the shares of the Company

10. Property, Plant and Equipment

Information relating to changes in the fixed assets of the Company is given in note 6 to the financial statements.

11. Employment of Physically Challenged Persons

The Group has a policy of fair consideration of job applications by physically challenged persons having regard to their abilities and aptitude. The Group's policy prohibits discrimination against such persons in the recruitment, training and career development of its employees. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Group continues, and that appropriate training and job function is arranged for them. This is particularly evident in our hotel and power businesses which run large operations.

12. Employee Health, Safety and Welfare

The Group maintains business premises and work environments that guarantee the safety and health of its employees and other stakeholders. The Group's rules and practices in these regards are reviewed and tested regularly. Also, the Group provides free medical insurance for its employees and their families through selected health management organizations and hospitals. More information on HSE is provided in the Group sustainability report on page 36.

13. Employee Training and Involvement

The Group places a high premium on the development of its manpower and consults with employees on matters affecting their well-being. Formal and informal channels of communication are employed in keeping staff abreast of various factors affecting the performance of various businesses in the Group. In-house and external trainings are carried out at various levels across the business chains in the Group. The Group's skill base has been extended by a range of training provided to employees.

14. Prohibition of Insider Trading

The Company's Code of Conduct (in accordance with Rules of The Nigerian Stock Exchange) prohibits employees and Directors from insider trading, dealings and stock tipping when in possession of price-sensitive, non-public information relating to the Company's business and from sharing or using such insider information. The Company regularly notifies the market, board, management and staff of closed periods and no insider trading was recorded during the year 2017.

15. Complaint Management Procedure

In line with the Securities and Exchange Commission (SEC) rule, a dedicated process and feedback mechanism for the management and resolution of shareholders' complaints is in place and can also be accessed on the Company's website.

Sustainability Report

Building a Sustainable Future and Creating Stakeholder Value

Transcorp, as a conglomerate, is sensitive to the reality that sustainability is becoming increasingly important to our clients and to the society in general, irrespective of the numerous challenges we face within our operating environment. Thus, we have taken major steps in establishing our strategic sustainability objectives and commitments.

These principles of sustainable development form the basis for successful, forward looking business activities, which is why we have integrated ethical, social and environmental responsibility into our daily business actions.

As a Group, we have made clear commitment to Corporate Social Responsibility (CSR) and sustainable business programmes; and see all associated initiatives as being an essential element for the growth of our business.

In 2017, we drove our sustainability goals through three (3) interdependent approaches and areas:

- Governance and Ethics
- People
- Environment and Community Investment

1. Governance and Ethics

As a Group, we believe that good governance and ethics contribute to our performance and safeguard our reputation, which is why we continue to invest in making our programme more engaging and efficient.

Thus, to ensure its continued commitment to good governance practices, the Group has put in place various policies, processes and avenues to enable staff and other stakeholders report any unethical activity affecting it. The policies include:

- **Sustainability**
This framework is dedicated to the sustainable development of the Group, its subsidiaries and the community where we operate.
- **Code of Conduct:**
A dedicated policy document that elucidates the Group's values, provides guidance on ethical issues and fosters a culture of honesty and accountability. This policy spells out the Group's position on bribery/corruption, conflict of interests and money laundering issues.
- **Complaints Management:**
A dedicated process for the handling and resolution of complaints received on the Company's website.

- **Whistle blowing Policy and Procedures:**
A dedicated process for reporting suspected violations of the Group's policies or national laws and regulations. This policy has been placed on the Company's website.

Whistle blowers can confidentially report concerns, suspected violations of either the Companies' policies or national laws and regulations via our dedicated telephone and email channels. They can also report anonymously and are protected from retaliation.

- **Enterprise Risk Management:**
A framework dedicated to the identification, assessment, treatment and monitoring of the Group's risk.

Stakeholder Engagement

The Group understands that the objective of creating sustainable value for its stakeholders in its chosen markets demands constructive, meaningful and proactive engagement with our diverse stakeholders as positive outcomes or conclusions cannot be achieved without the adequate establishment of a two-way dialogue system.

Stakeholder engagement contributes to our ongoing learning and improvement. It is significant as it enables us to identify and create commercial opportunities, identify and appraise risks, and to have the opportunity to remedy grievances among the Group's stakeholders.

For this to be carried out effectively and efficiently, several media platforms have been deployed. This approach ensures that the needs and concerns of our investors or stakeholders are received, understood and addressed in a timely manner. Some of the media platforms currently in use include:

- **Website:**
This can be achieved through the "contact us" portal on the Company's website (<http://www.transcorpigeria.com/contact/>). In addition, stakeholders can access both the Complaint Management Procedure and the Group's Whistle blowing policy respectively. Details of the whistle blowing channels are:
Telephone: 0803 450 3688
Email: whistleblower@transcorpigeria.com
- **Social Media:**
Our ever active and expanding social media platforms include Facebook, Twitter, Instagram and LinkedIn.
- **Investors' Conference:**
These meetings are held periodically with institutional shareholders to discuss the Group's performance.
- **Annual General Meetings:**
Discussions pertaining to our business and its performance over the period are also held with our shareholders annually.

2. People

Our people are key to the achievement of our strategic objectives and overall success as a business.

Employees

The Group places a high priority on the development and welfare of its employees and consults with staff on matters affecting their well-being. All employees and prospective employees are treated equally regardless of their gender, age, colour, family status, ethnic, nationality, race, religious belief, physical or mental disabilities.

The Group has a policy of fair consideration of job applications by *physically challenged persons* having regard to their abilities and aptitude. The Group's policy prohibits discrimination against such persons in the recruitment, training and career development of its employees.

When we had an incident of an employee at our Power plant who fractured a finger, efforts were made to ensure that the employee got the best medical attention and his employment was not affected as he was effectively trained for another job function and subsequently redeployed; this remains the Group's Policy. In the year under review, only one of such incidents was reported across the Transcorp Group.

Training and Development

Transcorp understands the value of continuous development of its employees, hence, formal and informal training programmes are carried out at various levels, group-wide, through in-house, local and international courses annually.

Health and Safety Initiatives

Transcorp maintains business premises and work environments across the Group that guarantee the safety and health of its employees and other stakeholders.

To achieve this, the Group provides periodic talks and training in health and safety management to minimize harm to our stakeholders and business. Employees are trained to assess and respond appropriately to threatening situations at the work place and its environs.

At our Power plant, we achieved a remarkable 2,188,547 man-hours without accidents as we maintained the practice of carrying out a HSE induction process where new employees, out-sourced officers, contractors, and visitors are trained on health and safety procedures prior to them gaining access to the plant premises. Other initiatives and practices which have been established and sustained include the toolbox talks, weekly and monthly safety meetings, Permit-to-Work, Confined space, Lock Out and Tag Out (LOTO).

The Group also carried out a wellness check in conjunction with Avon Medicals for all its employees and an audiometric test for all employees who are inclined to work near the turbine floor. This activity was conducted in May 2017 and was aimed at promoting healthy behaviour in and out of the workplace and at preventing or timely detecting any health-related concerns which might arise. All Transcorp employees participated in the wellness check and feedback was provided accordingly.

Vendors and Suppliers

Across the Group, Transcorp maintains an inclusive and robust procurement policy that not only boosts our corporate responsibility through continuous interaction with our contractors and service providers, but also assists them in improving their standards of service and quality of delivery. Purchasing decisions are made in a fair and impartial manner, as they are based upon competitive bidding, and follow a transparent and auditable vendor selection and management process.

3. Environment and Community Investment

At Transcorp, we are passionate about our environment and community. We aim to positively contribute to the quality of our environment and address social issues that impact our business and are important to the communities where we live and work.

Collaborative Partnerships:

Transcorp Power Limited successfully entered a Memorandum of Understanding (MOU) with its 3 host communities at Ughelli in 2017, while Transcorp Hotels Plc, in collaboration with the non-profit, ACE Charity Africa expanded its reach within their communities of operation. Through these partnerships, we have achieved various milestones in community development.

Community Investment

Transcorp through its respective businesses is involved in various CSR initiatives as we recognise that our investments in the communities where we do business is at the core of our sustainability strategy. Below are some of the opportunities where we have had the privilege to serve our community at our various business locations:

- Sponsorship of an artisan entrepreneur skill training for youths within the 3 host communities at Ughelli, Delta State.
- Sponsorship of a 6-month female skill entrepreneurial training scheme to promote gender inclusion across the 3 host communities.
- Sponsorship of a week-long Career Fair Job and Job Internship Program for secondary school students in Abuja as part of activities marking Hilton Worldwide Youth in Hospitality Month.
- Kitchen Apprenticeship Program which trains young Nigerians on the rudiments of cooking and kitchen management, and moulds them into world class chefs. The Chef adjudged as the best at the end of the Program is offered employment in the Hilton chain.
- Initiation of the "Business Empowerment Program for Women" with the primary objective to empower young local women with basic sewing, business start-up and management skills. This was motivated by the need to create jobs for the teeming number of Nigerian youths

- Sponsorship of Abuja Metropolitan Music Society (AMEMUSO), an NGO that provides a platform for Nigerians to express their musical talents. The Society has produced a 50 person-strong choir that stages annually, the world-class musical concert, Operabuja.
- Sponsorship of Art Exhibitions by Nigerian artists.
- Sponsorship of young Nigerian comedians to showcase their talents and get them needed exposure.
- Sponsorship of Nigerian theatre and performing artistes including the highly acclaimed “Wakaa the Musical”.

Other activities include:

- #KidsTakeOver – Children from local schools in Abuja got to play leadership roles to help them fulfil their potentials as part of activities marking Universal Children Day
- Paint for a Cause – Fundraising for a charity (educational projects)

Preserving Our Environment

Transcorp Hotels continues to deploy the following sustainability initiatives:

- **Energy and Greenhouse Effect:** We reduced our impact on the environment by installing more efficient energy saving equipment and providing training for members in teams.
- **Water - Save Every Drop:** We worked hard to reduce our use of water through informing team members of best practices and installing water efficient equipment such as low-flow shower heads and taps.
- **Material Recycle:** These initiatives include:
 - » Donation of old bed sheets which is recycled to make small gift bags.
 - » NaijaBrics: Collection and delivery of old newspaper to NaijaBrics to promote the production of Briquettes used for cooking which serves as an alternative to wood, kerosene or coal. This initiative not only preserves the environment, it also empowers the rural community women who sell the cooking briquettes.
 - » Soap for Hope Project: In 2017, through 'Soap for Hope', we continued to distribute thousands of soap bars to disadvantaged children and communities in Abuja, and in the process helped vulnerable people make a more sustainable living. Soap for Hope is a corporate social responsibility initiative launched in 2016 to recover recycle and donate used soap bars to the local community. The initiative is a tripartite partnership between Transcorp Hilton Abuja, Sealed Air Diversey and ACE Charity. The recycled soap bars are donated to communities which lack access to soap and sanitation, by the hotel's community partners, ACE Charity. An estimated seven million children in developing countries, including Nigeria, pass away every year due to diarrhea and respiratory diseases which can be prevented by a simple but effective practice: proper hand-washing with soap. However, for many families mired in poverty, a bar of soap can be an unaffordable luxury.

Corporate Social Responsibility

The Group through its businesses also extended its light and warmth to its community through the following activities:

- Transcorp Power Limited, in line with the signed MOU with its host communities developed Twin Guest Flats, a Corpers' Lodge and Teachers House for the Ekkerhavwe, Ekakpamre and Eruemukohwarien Communities respectively.
- Transcorp Hilton Abuja's Team celebrated the legacy of legendary Nelson Mandela on 18 July 2017 by turning out en masse and teaming up with ACE Africa Charity, our community partners, to renovate the classrooms, sanitize the environment and develop a horticultural garden at Durumi Community Primary School. The dilapidated school was given a new lease of life by our Team Members who were inspired by the life and times of Nelson Mandela to devote their time to serving humanity on Mandela Day;
- The team continued to assist inmates of the IDP camp in Durumi district of Abuja with daily provision of lunch packs for school-age children in addition to donation of linens, toiletries and raw food items to the camp;
- As part of the activities to celebrate the Hilton Worldwide “Global Month of Service”, we renovated a block of 12 classrooms, the Day Care Center and the restrooms at Maitama Model Primary School;
- Donation of 200 Pillows and bed sheets to the inmates of Suleja Prison;
- Monthly donation of food items to the Daughters of Charity Hospital, Kubwa to assist in the care of People Living with HIV/AIDS;
- As part of activities to mark the Earth Week, we partnered with ACE Charity to draw attention to the power of recycling waste. We repurposed used bath soaps into 600 new soap bars which we donated to the pupils of a local school. 600 pupils went home with soaps to help in inculcating hygienic hand-washing habits;

- To mark the “Global Week of Service”, our Team of volunteers worked with ACE Charity to produce 100 bespoke dresses for the indigent children of Piyanko Village, a rural community in the outskirts of Abuja.

Awards and Recognitions

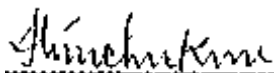
In 2017, we at Transcorp also celebrated the achievements attained by our hotel and power businesses respectively. These awards and achievements, some of which are already detailed on pages 3 and 4 of this report include:

- a) Safety and Security Award, Transcorp Hotels Calabar
- b) Letter of commendation from the Federal Ministry of Labour on compliance with the provisions of the Labour Act.

Auditors

In line with the SEC Code of Corporate Governance, Messrs. PricewaterhouseCoopers having rendered audit services to the Company for the last ten (10) years SHALL DISCONTINUE as the auditors of the Company and the Board of Directors hereby recommend that the shareholders approve the appointment of Messrs. Ernst & Young as external Auditors for the Company effective 2018 financial year in accordance with section 357(2) of the Companies and Allied Matters Act, 1990 (CAMA).

By Order of the Board



Mrs. Helen Iwuchukwu

Group Company Secretary

FRC No. FRC/2015/NBA/00000012716

28 March 2018

Statement by the External Consultants on the Board Evaluation of Transnational Corporation of Nigeria Plc for the year ended December 31, 2017

In line with the requirements of Section 15 of the Securities and Exchange Commission Code of Corporate Governance for Public Companies (SEC Code), we have performed an evaluation of the board of directors of Transnational Corporation of Nigeria (Transcorp Plc or the Company) for the year ended December 31, 2017, based on the scope of services agreed with the Company as specified in our letter of engagement.

The evaluation exercise benchmarked the requirements of the amended SEC Code of Corporate Governance, the Company's corporate governance framework and global best practice.

Our work and approach included a review of documents provided by the Company, research on global best practice, interviews and questionnaires, including a self and peer assessment by members of the board.

Our findings and recommendations have been submitted to the Board of Transcorp Plc in a detailed report.

Our evaluation of the Board of Transnational Corporation of Nigeria Plc, its Board Committees and its Directors based on the SEC Code of Corporate Governance, the Company's Corporate Governance Framework and global best practice indicates that Corporate Governance at Transcorp Plc is "Very good".

The Chairman of the Board:

- Effectively leads the operations of the Board to ensure the Company's strategic objectives are met and plays a lead role in the assessment, improvement and development of the Board.
- Acts as the main link between the Board and the CEO as well as advising the CEO in the effective discharge of his duties
- Effectively discharges all aspects of the function of the Chairman as specified in the SEC Code

The Board of Transcorp Plc has an established system of corporate governance underpinned by a Board Governance & Board Committee Governance Charter; Executive Management Charter and Subsidiary Governance Charter.

The Board operates effectively, fully carrying out its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight.

The Board is considered strong, diverse, experienced and composed of seasoned professionals with a wealth of experience committed to the long term success of the Company.



The mandates and terms of reference of the Board committees are clearly defined in the Board Governance & Board Committee Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management and controls.

On the basis of our work, we conclude that the Board of Transcorp Plc complied with the amended SEC Code of Corporate Governance 2011 and demonstrates a commitment to maintaining strong corporate governance in line with global best practice.



Angela Aneke
Managing Director

February 19, 2018

Statement of Directors Responsibilities

for the year ended 31 December 2017

The Companies and Allied Matters Act requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- (a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act;
- (b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- (c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

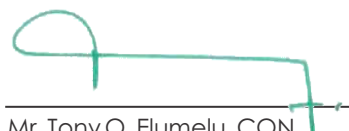
The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Mr. Adim Jibunoh
President/ CEO
FRC/2014/IODN/00000008267



Mr. Tony O. Elumelu, CON
Chairman
FRC/2013/CIBN/00000002590

19 February 2018

Report of the Audit Committee

for the year ended 31 December 2017

In compliance with section 359 (6) of the Companies and Allied Matters Act Cap C20 LFN 2004 (CAMA), members of the Audit Committee of Transnational Corporation of Nigeria Plc hereby report as follows:

1. The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359 (6) of the Companies and Allied Matters Act;
2. We approved the internal audit plan and assessed the level of compliance of the internal audit activities with the plan;
3. We have reviewed the effectiveness of the Company's system of accounting and internal control;
4. We have examined the auditors' report including the financial statements for the year ended 31 December 2017;
5. We have also deliberated with the external auditors, reviewed their findings and recommendations and management responses and confirm that the auditors' report for this period is consistent with our review; and
6. We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.



.....
Mr. John Isesele

Chairman, Statutory Audit Committee

FRC/2014/ICAN/00000008988

19 February 2018

Members of the Statutory Audit Committee

- | | | | | |
|----|------------------------------|------------|---|-------------|
| 1) | Mr. John Umobuarie Isesele | (Chairman) | - | Shareholder |
| 2) | Mr. Matthew Esonanjor | (Member) | - | Shareholder |
| 3) | Alhaji Abu Jimah | (Member) | - | Shareholder |
| 4) | Mr. Kayode Fasola | (Member) | - | Director |
| 5) | Dr. Stanley Inye Lawson | (Member) | - | Director |
| 6) | Alhaji Abdulqadir Jeli Bello | (Member) | - | Director |



04

Financial
Statements



Independent auditor's report

To the Members of Transnational Corporation of Nigeria Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Transnational Corporation of Nigeria Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2017, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Transnational Corporation of Nigeria Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria



Key audit matter

How our audit addressed the key audit matter

Impairment of goodwill

Refer to note 2.6a (Accounting policy on goodwill), note 4 (Critical accounting estimates and judgments) and note 7 (Intangible assets) to the consolidated and separate financial statements where the impairment of goodwill has been discussed.

The carrying value of goodwill of N30.94 billion as at 31 December 2017 is material to the consolidated financial statement. Goodwill is required to be tested annually for impairment or whenever there is an impairment indicator.

We focused on this because of the significance of the judgements involved and the value of the recognised goodwill. Judgement is applied by management to determine appropriate parameters and assumptions (pre-tax discount rates and weighted average growth rate) used to calculate impairment.

In assessing goodwill for impairment, management concluded that the recoverable amount was higher than its carrying value such that no impairment provision was required. Recoverable amount has been determined through a combination of value-in-use and fair value less cost of disposal.

This matter is considered a key audit matter in the consolidated financial statements only.

With the assistance of our valuation experts, we reviewed the adequacy of the methodology used by management in assessing impairment of goodwill.

We also reviewed management's assumptions, discount rates and growth rates utilised in preparing the cash flow forecasts for the respective cash generating units.

The discount rate and the long term growth rates applied within the model were assessed for reasonableness by comparing them to economic and industry forecasts where appropriate.

Other information

The directors are responsible for the other information. The other information comprises: Group overview, Our businesses, Chairman's statement, President/CEO's report, Corporate governance report, Independent board evaluation report, Statement of Director's responsibilities, Report of the audit committee, Directors' report, Notice of annual general meeting, Consolidated and separate Statement of Value Added, Consolidated and separate Five year Financial Summary (but does not include the consolidated and separate financial statements and our auditor's report thereon).

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
- iii) the company's statement of profit or loss and other comprehensive income and statement of financial position, are in agreement with the books of account.

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Edefe Erhie
FRC/2013/ICAN/00000001143



23 February 2018

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2017

	Note	Group		Company	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
		N'000	N'000	N'000	N'000
Revenue	22	80,284,959	59,424,619	5,121,992	2,537,628
Cost of sales	23	(43,860,652)	(29,258,812)	-	-
Gross profit		36,424,307	30,165,807	5,121,992	2,537,628
Administrative expenses	24	(11,751,949)	(10,376,801)	(2,356,599)	(2,331,143)
Other income	25	690,696	475,652	1,334,768	1,058,419
Other gains/(loss) - net	26	668,943	451,361	460	557
Operating profit		26,031,997	20,716,019	4,100,621	1,265,461
Finance income	28	498,259	363,016	1,483,401	1,426,351
Finance cost	28	(9,670,480)	(8,303,471)	(3,016,285)	(3,131,737)
Foreign exchange loss on financing activities	29	(4,554,229)	(18,703,912)	-	-
Finance cost -net		(13,726,450)	(26,644,367)	(1,532,884)	(1,705,386)
Profit/(loss) before taxation		12,305,547	(5,928,348)	2,567,737	(439,925)
Taxation	18	(1,698,271)	4,801,350	(698,533)	(409,168)
Profit/(loss) for the year		10,607,276	(1,126,998)	1,869,204	(849,093)
Profit/(loss) attributable to:					
Owners of the parent		4,754,765	(931,141)	1,869,204	(849,093)
Non controlling interest		5,852,511	(195,857)	-	-
Other comprehensive income net of income taxes					
<i>Items that may be reclassified to profit or loss:</i>					
Changes in the fair value of available-for-sale equity securities	26	2,798,973	547,479	2,798,973	547,479
Total comprehensive income/ (loss) for the year		13,406,249	(579,519)	4,668,177	(301,614)
Attributable to:					
Owners of the parent		7,553,738	(383,662)	4,668,177	(301,614)
Non controlling interest		5,852,511	(195,857)	-	-
Basic & diluted EPS (kobo)	30	11.70	(2.29)	4.60	(2.09)

The result shown above relates to continuing operations. There are no income or expenses from discontinued operations.

The notes on pages 52 to 99 are an integral part of these financial statements.

Consolidated and Separate Statement of Financial Position

as at 31 December 2017

	Note	Group		Company	
		31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Assets					
Non-current assets					
Property, plant and equipment	6	141,835,592	124,660,561	18,338	21,250
Intangible assets	7	39,517,340	38,951,969	5,075,818	5,076,102
Investment property	8	1,706,600	1,706,600	1,706,600	1,706,600
Investment in subsidiaries	9	-	-	27,529,887	27,529,887
Debt and equity securities	14	4,971,353	2,207,943	4,971,353	2,207,943
Deferred tax	10	3,348,918	3,356,550	-	-
Prepaid lease rental	11	53,010	58,704	-	-
		191,432,813	170,942,327	39,301,996	36,541,782
Current assets					
Inventories	12	4,646,609	4,722,545	-	-
Trade and other receivables	13	83,827,859	54,104,539	23,460,800	21,366,895
Prepaid lease rental	11	16,741	30,000	-	-
Cash and cash equivalents	15	5,598,282	2,361,320	339,974	5,026
		94,089,491	61,218,404	23,800,774	21,371,921
Total assets		285,522,304	232,160,731	63,102,770	57,913,703
Liabilities					
Current liabilities					
Trade and other payables	16	64,846,974	31,586,476	3,702,299	5,678,281
Taxation	18	1,424,147	4,137,597	225,015	196,580
Borrowings	19	36,509,388	25,600,695	10,223,020	10,987,060
Advance deposits	21	1,875,000	1,875,000	1,875,000	1,875,000
		104,655,509	63,199,768	16,025,334	18,736,921
Non-current liabilities					
Borrowings	19	75,589,945	72,943,568	11,470,290	8,231,283
Deposit for shares	17	2,410,000	2,410,000	-	-
Deferred tax	10	7,159,053	7,158,798	-	-
		85,158,998	82,512,366	11,470,290	8,231,283
Total liabilities		189,814,507	145,712,134	27,495,624	26,968,204
Equity					
Ordinary share capital	31(a)	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	31(b)	6,249,871	6,249,871	6,249,871	6,249,871
Treasury shares	31(c)	-	(345,819)	-	-
Other reserves		2,777,781	(14,662)	2,889,461	97,018
Retained earnings		31,961,979	27,207,214	6,143,818	4,274,614
Equity attributable to owners of the parent		61,313,627	53,420,600	35,607,146	30,945,499
Non-controlling interest	32	34,394,170	33,027,997	-	-
Total equity		95,707,797	86,448,597	35,607,146	30,945,499
Net equity and liabilities		285,522,304	232,160,731	63,102,770	57,913,703

The notes on pages 52 to 99 are an integral part of these financial statements.

The financial statements on pages 48 to 101 were approved and authorised for issue by the Board of Directors on 19 February 2018 and were signed on its behalf by:



Tony O. Elumelu CON
Chairman Board of Directors
FRC/2013/CIBN/00000002590



Mutiu Bakare
Group Chief Finance Officer
FRC/2016/ICAN/00000014111



Adim Jibunoh
President/Chief Executive Officer
FRC/2014/IODN/00000008267

Consolidated and Separate Statement of Changes in Equity

for the year ended 31 December 2017

Group	Attributable to owners of the parent							
	Share capital N'000	Share premium N'000	Treasury shares N'000	*Other reserves N'000	Retained earnings N'000	Total Controlling interest N'000	Non Controlling interest N'000	Total equity N'000
Balance at 1 January 2016	19,360,499	7,213,368	(345,819)	(587,547)	28,138,355	53,778,856	33,726,375	87,505,231
Loss for the year	-	-	-	-	(931,141)	(931,141)	(195,857)	(1,126,998)
Bonus issue	963,497	(963,497)	-	-	-	-	-	-
Dividend paid to non-controlling interest	-	-	-	-	-	-	(502,521)	(502,521)
Reclassification to profit or loss	-	-	-	25,406	-	25,406	-	25,406
Other comprehensive income	-	-	-	547,479	-	547,479	-	547,479
Balance at 31 December 2016	20,323,996	6,249,871	(345,819)	(14,662)	27,207,214	53,420,600	33,027,997	86,448,597
Balance at 1 January 2017	20,323,996	6,249,871	(345,819)	(14,662)	27,207,214	53,420,600	33,027,997	86,448,597
Profit for the year	-	-	-	-	4,754,765	4,754,765	5,852,511	10,607,276
Dividend paid to non-controlling interest	-	-	-	-	-	-	(4,486,338)	(4,486,338)
Reclassification to profit or loss	-	-	345,819	(6,530)	-	339,289	-	339,289
Other comprehensive income	-	-	-	2,798,973	-	2,798,973	-	2,798,973
Balance at 31 December 2017	20,323,996	6,249,871	-	2,777,781	31,961,979	61,313,627	34,394,170	95,707,797
Company								
				Share capital N'000	Share premium N'000	*Other reserves N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2016				19,360,499	7,213,368	(475,867)	5,123,707	31,221,707
Bonus issue				963,497	(963,497)	-	-	-
Loss for the year				-	-	-	(849,093)	(849,093)
Reclassification to profit or loss				-	-	25,406	-	25,406
Other comprehensive income				-	-	547,479	-	547,479
Balance at 31 December 2016				20,323,996	6,249,871	97,018	4,274,614	30,945,499
Balance at 1 January 2017				20,323,996	6,249,871	97,018	4,274,614	30,945,499
Profit for the year				-	-	-	1,869,204	1,869,204
Reclassification to profit or loss				-	-	(6,530)	-	(6,530)
Other comprehensive income				-	-	2,798,973	-	2,798,973
Balance at 31 December 2017				20,323,996	6,249,871	2,889,461	6,143,818	35,607,146

The notes on pages 52 to 99 are an integral part of these financial statements.

*Other reserves relates to gains and losses from valuation of available-for-sale equity investments. This is a non distributable reserve.

Consolidated and Separate Statement of Cash Flows

for the year ended 31 December 2017

	Note	Group		Company	
		2017 N'000	2016 N'000	2017 N'000	2016 N'000
Cash flows from operating activities					
Cash generated from/(used in) operations	33	43,273,178	14,821,328	(475,453)	(1,808,203)
Tax paid	18	(3,891,635)	(3,202,578)	(157,899)	(161,023)
Net cash flows generated from/(used in) operating activities		39,381,543	11,618,750	(633,352)	(1,969,226)
Cash flows from investing activities					
Interest received	28	498,259	363,016	1,483,401	1,426,351
Purchase of intangible assets	7	(585,574)	(89,892)	-	-
Liquidation of debt and equity securities	14	35,563	122,992	35,563	122,992
Proceeds from sale of property plant and equipment	33	42,688	10,456	533	502
Purchase of property, plant and equipment	6	(17,499,007)	(13,982,370)	(9,420)	(848)
Net cash flows (used in)/generated from investing activities		(17,508,071)	(13,575,798)	1,510,077	1,548,997
Cash flows from financing activities					
Proceeds from bank borrowings		21,681,112	18,261,972	3,614,745	7,191,748
Repayments of bank borrowings		(23,613,898)	(15,630,112)	(1,139,778)	(3,645,999)
Dividend paid to non-controlling interest	32	(4,486,338)	(502,521)	-	-
Proceed from sale of treasury shares		276,501	-	-	-
Interest capitalized	6	(3,168,732)	(4,078,949)	-	-
Interest payment	28	(9,670,480)	(8,303,471)	(3,016,285)	(3,131,737)
Net cash flows (used in)/generated from financing activities		(18,981,835)	(10,253,081)	(541,318)	414,012
Net increase/(decrease) in cash and cash equivalents		2,891,637	(12,210,129)	335,408	(6,217)
Cash and cash equivalents at the beginning of the year	15	2,361,320	14,419,520	5,026	10,686
Foreign exchange loss/(gain) on cash and cash equivalents		345,325	151,929	(460)	557
Cash and cash equivalents at the end of the year		5,598,282	2,361,320	339,974	5,026

The notes on pages 52 to 99 are an integral part of these financial statements.

Notes to the Consolidated and Separate Financial Statements

for the year ended 31 December 2017

1. General information

Transnational Corporation of Nigeria Plc, ("the Company" or "Transcorp"), was incorporated on 16 November 2004 as a private limited liability Company domiciled in Nigeria in accordance with the requirements of the Companies and Allied Matters Act. Following a successful initial public offer (IPO), the Company was in December 2006, listed on the Nigerian Stock Exchange. The shares of the Company have continued to be traded on the floor of the Exchange. The Company is domiciled in Nigeria and the address of its registered office is 38 Glover Road, Ikoyi, Lagos, Nigeria.

The Company maintains controlling interests in the following companies. The Company, together with the subsidiaries are known as the Transcorp Group, ("the Group")

- Transcorp Hotels Plc
- Transcorp Power Limited
- Transcorp Hotels Calabar Limited
- Transcorp Energy Limited
- Transcorp OPL 281 Nigeria Limited
- Teragro Commodities Limited
- Capital Leisure and Hospitality Limited
- Transcorp Hotels Ikoyi Limited
- Transcorp Hotels Port Harcourt Limited
- Transcorp Properties Limited
- Transcorp Telecomms Limited
- Transcorp Staff Share Ownership Trust Company Limited
- Transcorp Trading and Logistic Limited
- Transcorp Refining Company Limited

The Company's business is investment and operation of portfolio companies in the hospitality, power, agro-allied and oil & gas sectors.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with the Companies and Allied Matters Act (CAMA), International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared on a historical cost basis except for available-for-sale financial assets, financial assets and liabilities and investment property – measured at fair value.

The accounting policies adopted by the Company are uniform to the accounting policies adopted by the Group.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

The preparation of financial statements, in conformity with generally accepted accounting principles under IFRS, requires the directors 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. Although these estimates are based on the directors' best knowledge of the amounts, events or actions, actual results ultimately may differ from those estimates.

The financial statements have been prepared on a historical cost basis except for the fair value basis applied to certain intangible assets, investment property and equity investments.

All values are rounded to the nearest thousand (N'000), except when otherwise indicated.

2.1.1 Going concern

The financial statements have been prepared on a going concern basis. The directors have no doubt that the Company would remain in existence after 12 months.

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

- Amendments to IAS 7, Disclosure initiative.
- Annual improvements to IFRSs 2012–2014 cycle, and
- Disclosure initiative – amendments to IAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2017 are not material to the Group.

(b) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations (excluding quantitative impact) is set out below.

Title of standard	IFRS 9 <i>Financial Instruments</i>
Nature of change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.
Impact	<p>The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018:</p> <p>The Group's equity instruments that are currently classified as available-for-sale will satisfy the conditions for classification as at fair value through other comprehensive income (FVOCI) and hence there will be no change to the accounting for these assets.</p> <p>The other financial assets held by the Group include:</p> <ul style="list-style-type: none"> • equity investments currently measured at fair value through profit or loss (FVPL) which will continue to be measured on the same basis under IFRS 9, and • debt instruments currently classified as held-to-maturity and measured at amortised cost which meet the conditions for classification at amortised cost under IFRS 9. <p>Accordingly, the group does not expect the new guidance to affect the classification and measurement of these financial assets. However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings.</p> <p>There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 <i>Financial Instruments: Recognition and Measurement</i> and have not been changed.</p>

Impact (Contd)	<p>The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.</p> <p>The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.</p>
Date of adoption by group	<p>Must be applied for financial years commencing on or after 1 January 2018. The group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.</p>
Title of standard	IFRS 16 Leases
Nature of change	<p>The Group has lease arrangements as a lessor with various entities to which it leases out space within its facilities. The arrangements were accounted for as operating lease based on IAS 17 requirements.</p> <p>IFRS 16 basically carries forward the requirements of IAS 17 for lessors. The lessor will still account for its leases as operating or financing lease.</p>
Impact	<p>The new standard will not have any significant impact on the Group.</p>
Mandatory application date/ date of adoption by group	<p>Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Group is 1 January 2018.</p>
Title of standard	IFRS 15 Revenue from Contracts with Customers
Nature of change	<p>The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.</p> <p>The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. It requires that in recognising revenue, the Group must:</p> <ol style="list-style-type: none"> 1. Identify the contract(s) with the customer 2. Identify performance obligations in the contract(s) 3. Determine the transaction price 4. Allocate the transaction price to performance obligations in the contract 5. Recognise revenue when (or as) the Group satisfies a performance obligation. <p>The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p>
Impact	<p>The Group has four major streams of revenue, and they are:</p> <ul style="list-style-type: none"> ● Income from investments. ● Sale of goods - agriculture. ● Sale of services - power ● Sale of services - hospitality <p>Management has assessed the effects of applying the new standard on the group's financial statements and has identified the following areas that will be affected:</p> <p>Income from investments (Transnational Corporation of Nigeria Plc) IFRS 15 only specifies how to account for revenue which arises as a result of contracts from customers; moreover, certain contracts with customers are scoped out because they are dealt</p>

Impact (Contd)	<p>with in other standards. Interest income and dividend income, which were within the scope of the previous revenue standard, will now be within the scope of the financial instruments standard, but it is not expected that this will impact the accounting for such income streams.</p> <p>Dividend income presented as revenue will be reclassified and presented as part of other income. Gross profit will then be nil and there will be a corresponding increase in other income. This would have a nil impact on the profit before/after tax.</p> <p>Sale of goods -agriculture (Teragro Commodities Limited) Teragro Commodities Limited ceased operations in 2016. There will be no impact on revenue as the contract that generated the revenue ended before the adoption date of IFRS 15 (1 January 2018).</p> <p>Sale of services - power (Transcorp Power Limited) Capacity charge and energy sent out is currently treated as a single performance obligation. This will not pass the separately identifiable test because TPL's promise to transfer the service to the customer is not separately identifiable from other promises in the contract.</p> <p>The transaction price that will be recognised for accounting purpose will change due to the effects of variable consideration, constraining estimates of variable consideration and the existence of significant financing components in the contracts. This will affect the amount and timing of revenue that will be recognised in profit or loss. In addition, the Company will recognise contract liabilities in the Statement of financial position where variation in prices might have occurred.</p> <p>TPL needs to allocate transaction price to each performance obligation on a relative stand-alone selling price basis for the range of products that are bundled and have variable amounts.</p> <p>TPL will assess its satisfaction of performance obligation for energy and capacity as well as other ancillary services provided. This is crucial in determining whether the control of those promises are transferred over time or at a point in time. Based on the fact that energy and capacity are supplied over a period on a monthly basis using the market rule/operations agreement, the Company should recognise revenue over time.</p> <p>Contract assets and contract liabilities will arise from measuring progress based on the revenue recognition over time and TPL will need to present these assets and liabilities as separate line items in the statement of financial position.</p> <p>To meet the disclosure requirement of IFRS 15, TPL will disclose the following: a) the amount of revenue recognised from contracts with customers separately from other sources of revenue. b) impairment losses from contracts with customers separately from other impairment losses c) disaggregation of revenue into type of goods and services, geographical region, market or type of customer, type of contract and contract duration. d) the opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers.</p> <p>Sales of services - hospitality (Transcorp Hotels Plc)</p> <p>Transcorp Hotels Plc (THP) operates two major types of contracts which are walk-in guests and guests on contract. Contracts with walk-in guests are usually oral and entered into over the counter while the guest on contract usually have written contracts which have been signed by both parties.</p> <p>The room and recreational facilities are distinct in the contracts as both services are not highly integrated with, nor highly depended on each other.</p> <p>Transcorp Hotels Plc operates a customer loyalty program called Hilton Honours where guest earn points for each night spent in the hotel. At the end of the month, the total points earned by a guest is valued by Hilton worldwide. THP is not responsible for fulfilling the promise on points earned. The value is determined by Hilton worldwide and the responsibility for fulfilling this lies with Hilton worldwide.</p> <p>THP has standardised prices for its goods and services. For the rooms, there is a rack rate and a negotiated rate. There is also a standard price for its food and beverage, business centre, laundry services recreational facilities etc.</p> <p>The transaction price that will be recognised for accounting purpose will change due to the following reasons: 1. Discounts provided to guests on contracts 2. Agency relationship with Hilton worldwide on the customer loyalty program. The value of</p>
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<p>Impact (Contd)</p>	<p>points earned under the Hilton Honours should not be included in the transaction price.</p> <p>Transcorp Hotels Plc's contracts with walk-in guests contain performance obligations for the rooms and recreational facilities while agreements with guests on contracts contain performance obligations for the room, recreational facility, discount and renewal options. Currently, the revenue and discounts from both contracts is only recognised on the room.</p> <p>THP needs to allocate the transaction price between the room and recreational facilities for walk-in guests and also allocate transaction prices between the room, recreational facilities and renewal options for guests on contracts.</p> <p>The allocation will be done using the relative stand-alone selling price at the inception of the contract.</p> <p>THP will need to present separately, contract assets and contract liability as a separate line item in the statement of financial position. Specifically, contract liability will arise from renewal options.</p> <p>The entity will disclose adequate information in the financial statements that will meet the objective of disclosure requirements of IFRS 15. To achieve this, the following among others will be disclosed:</p> <ol style="list-style-type: none"> 1. The amount of revenue recognised from contracts with customers separately from other sources of revenue 2. Impairment losses from contracts with customers separately from other impairment losses 3. Disaggregation of revenue into types of goods and services rendered 4. The opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers.
<p>Date of adoption by group</p>	<p>Mandatory for financial years commencing on or after 1 January 2018. The group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.</p>

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are accounted for at cost in the separate financial statements of Transcorp. In the consolidated financial statements, subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis, either at fair value or at the present ownership instrument's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

(b) Changes in ownership interests in subsidiaries without change of control

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Group.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Transcorp.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which Transcorp operates ('the functional currency'). The functional currency of Transcorp and its subsidiaries is the Nigerian Naira (N). All entities in the Group have the same functional currency. The consolidated financial statements are also presented in Naira.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance costs - net'. All other foreign exchange gains and losses are presented in the income statement within 'other (expenses)/income - net'. Translation differences related to changes in amortised cost are recognised in profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs 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 Group and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Assets Class	Useful lives (years)
Building & Improvements	50
Plant and machinery -Turbines	50
Plant and machinery - Others	10
Furniture and fittings	5
Computer & office equipments	3
Motor vehicles	4

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The Group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

2.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Transcorp's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Computer software

Costs associated with maintaining computer software programmes are recognised as expenses as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- the directors intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development related employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as expenses as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives. The estimated useful lives of the software of the Group is between three to eight years.

(c) Oil and natural gas exploration, evaluation and development expenditure

Oil and natural gas exploration, evaluation and development expenditure is accounted for using the "successful efforts method of accounting". Costs incurred prior to obtaining legal rights to explore are expensed immediately to the income statement.

(i) Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

(ii) Licence and property acquisition costs

Exploration licence and acquisition costs are capitalised in intangible assets. Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and that sufficient progress is being made on establishing development plans and timing. If no future activity is planned or the licence has been relinquished or has expired, the carrying value of the licence and property acquisition costs are written off through the statement of profit or loss and other comprehensive income. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and gas properties.

(iii) Exploration and evaluation costs

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials, fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are recognised in the statement of profit or loss and other comprehensive income, as incurred. If no potentially commercial hydrocarbons are discovered, the exploration asset is written off through the statement of profit or loss and other comprehensive income as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), it is probable that they can be commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to statement of profit or loss and other comprehensive income.

When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalised expenditure is first assessed for impairment and any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties.

For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized.

(iv) Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development or delineation wells, is capitalised within oil and gas properties.

2.7 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated Group, are classified as investment properties.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position.

Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is obtained from professional third party valuers contracted to perform valuations on behalf of the Group. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to 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 purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.9 Financial instruments

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.9.1 Classification

(a) Financial assets and liabilities at fair value through profit or loss

Financial assets or liabilities at fair value through profit or loss are financial assets or liabilities held for trading. A financial asset or liability is classified in this category if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be realised within twelve months; otherwise, they are classified as non-current.

(b) 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 included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprises 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

The fixed income investments have been classified as loans and receivable. The investments have a tenor of about 180 days and the company rolls over the investments. Interest income on the fixed income investment is recognised in the year it occurred as interest income.

(c) Available-for-sale investments

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or directors intends to dispose of it within 12 months of the end of the reporting period.

(d) Financial liabilities at amortized cost

Financial liabilities at amortized cost include trade and other payables, advance deposits and long-term debt.

2.9.2 Reclassification

The group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

2.9.3 Recognition and measurement

(a) Financial assets and liabilities at fair value through profit or loss

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the consolidated statement of income. Gains and losses arising from changes in fair value are presented in the consolidated statement of income within "other gains and losses (net)" in the period in which they arise. Non-derivative financial assets and liabilities at fair value through profit or loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the reporting date, which are classified as long-term. Interest swaps and warrants are classified as current.

(b) Loans and receivables

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(c) Financial liabilities at amortized cost

Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method. Bank debt and long-term debt are recognized initially at fair value, net of any transaction costs incurred, and subsequently at amortized cost using the effective interest method. These are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

(d) Available-for-sale investments

Available-for-sale investments are recognised initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from remeasurement are recognised in other comprehensive income except for exchange gains and losses on the translation of debt securities, which are recognised in the consolidated statement of income. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive income to the income statement. Available-for-sale investments are classified as non-current, unless an investment matures within twelve months, or the directors expects to dispose of it within twelve months.

2.10 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.11 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined using the weighted average method. This includes the cost of raw materials to the Company's premises and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.12 Trade receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.13 Cash, cash equivalents and bank overdrafts

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.14 Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, (i.e. capitalised) until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

2.18 Employee benefits

(a) Defined contribution scheme

The Group operates a defined contribution pension scheme in line with the provisions of the Pension Reform

Act 2014. The employer's contributions are recognised as employee benefit expenses when they are due. The Group has no further payment obligation once the contributions have been paid.

(b) Profit-sharing and bonus plans

The Group operates a bonus plan where staff are remunerated based on parameters determined by the Board. Bonus payments are at the discretion of the Board and the expense is recognised as in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied and services rendered, stated net of discounts, returns and value added taxes. The Group earns revenue from the sale of goods and services. The Company earns revenue from dividends received.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

(a) Income from investments - Corporate centre

Income from investments is recognized when it is earned. Dividends are recognised in the statement of comprehensive income on the date the Company's right to receive payment is established. Interest earned on cash investments in money market instruments is recognized in the profit and loss account as it accrues evenly over the period of the investment.

(b) Sale of goods - Agriculture

The Group manufactures and sells juice concentrates to manufacturers in the food and beverage industry. Recognition of revenue for concentrates is recognised when it is earned. Revenue is earned when the significant risks and rewards of ownership have been transferred to the customer or the service has been rendered; control over goods sold has been transferred, amount of revenue can be reliably measured, costs incurred in respect of the sale can be measured reliably and the economic benefits associated with the transaction will flow to the Group.

(c) Sale of services - Power

Revenue comprises of the net value of services being capacity provided and energy delivered net of trade discounts, rebates and VAT. Capacity charge relates to income earned from the distribution companies for available capacity. It is computed based on a fixed rate per megawatt determined by the government or industry regulator. It is recognised monthly based on the average of available capacity declared at the beginning of the month. Revenue from energy delivered calculated on the basis of megawatts of electricity pushed to the transmission grid. The capacity charge and energy delivered are included in revenue reported in the profit and loss account.

Revenue is also earned from ancillary services. Revenue earned on ancillary services relate to services provided by the Group, other than the primary production of electricity, which is used to operate a stable and secure power system including but not limited to reactive power, operating reserve, frequency control and black start capability. The ancillary services are provided in line with the existing agreement and recognises the revenue in line with its revenue recognition policy.

Amounts received from customers in advance of receiving the goods or services is recognised as liability in the statement of financial position described as unearned income.

(d) Sale of services - Hospitality

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 hotel, entertainment and restaurant revenues, other service fees, rental income and the invoiced value of goods and services sold less returns and allowances. VAT on revenue transactions are considered to be a tax collected by the Company as an agent on behalf of the revenue authorities and is excluded from revenue.

Transcorp Hilton Hotel Abuja offers a customer loyalty programme called the Hilton Honours guest reward programme on behalf of Hilton International. Under this programme, registered members earn points when they pay for rooms or services at the Hotel. The Group accounts for the points as a separately identifiable component of the sales transaction in which they are granted (the 'initial sale' of rooms or service). The consideration received or receivable in respect of the initial sale is allocated between the points and the sale of rooms or service with reference to the fair value of the points. Revenue is measured as the net amount retained by the hotel, i.e. the difference between the consideration allocated to the award credits and the amount payable to the Hilton International for supplying the awards.

2.20 Leases

(a) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the income statement 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 penalty is recognised as an expense in the period in which termination takes place.

(b) Finance lease

Leases of items by the Group where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net finance charges, are included in other long term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.21 Dividend distribution

Dividend distribution to the Group's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders. In respect of interim dividends these are recognised when declared by the Board of Directors

2.22 Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

2.23 Treasury shares

The cost of the Transcorp Plc's own equity instruments that have been reacquired ('treasury shares') by the Company or by other members of the consolidated Group is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. The difference between the cost and consideration received is recognised directly in retained earnings.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The Board has established the Finance and Investment Committee, who is responsible for developing and monitoring the group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risk faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly by the executive management to reflect changes in the market conditions and the Group's activities.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is supported by various management functions that check and undertake both regular and ad hoc reviews of compliance with established controls and procedures.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not hedge any of its risk exposures.

Risk management is carried out in line with policies approved by the board of directors. The board provides written policies for overall risk management, as well as set the overall risk appetite for the Group. Specific risk management approaches are defined for respective risks such as interest rate risk, credit risk, liquidity and investment risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. The Group makes payments and receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US Dollars.

The Group is exposed to risks resulting from fluctuations in foreign currency exchange rates. A material change in the value of any such foreign currency could result in a material adverse effect on the Group's cash flow and future profits. The Group is exposed to exchange rate risk to the extent that balances and transactions denominated in a currency other than the Nigerian Naira. The group holds the majority of its cash and cash equivalents in Naira.

In managing foreign exchange risk, the Group aims to reduce the impact of short-term fluctuations on earnings. The Group's significant exposure to currency risk relates to its loan facilities and cash and cash equivalents that are mainly in US Dollars. Although the Group has various measures to mitigate exposure to foreign exchange rate movement over the longer term, the gains/losses on foreign exchange balances impact on the profit or loss. The Group's approach to managing foreign exchange risk is to hold foreign currency bank accounts. The Group monitors the movement in the currency rates on an on-going basis.

At 31 December 2017, the value of cash held in foreign currency was significantly lower than foreign currency borrowings.

The balances denominated in US Dollars as at year end were borrowings and cash and cash equivalent. The borrowings and cash balances held at year end are as stated below:

	Group		Company	
	2017 USD'000	2016 USD'000	2017 USD'000	2016 USD'000
Borrowings	135,448	153,657	-	-
Trade payables	11,752	661	-	-
Cash and cash equivalents	6,592	3,550	5	6

The table shows the impact on the Group's profit and equity if the exchange rate between the Naira and the US Dollars had increased or decreased by 10%, with all other variables held constant.

	Group		Company	
	Impact on profit or loss		Impact on profit or loss	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
US/NGN exchange rate – increase 10% (2016: 50%)	(4,670,218)	(22,954,428)	24	274
US/NGN exchange rate – decrease 10% (2016: 50%)	4,670,218	22,954,428	(24)	(274)

(ii) Price risk

The Group is exposed to equity securities price risk because of investments classified on the statement of financial position as equity investments available for sale and measured at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group engages a third party expert; United Capital Securities Limited who offers advice on sale and purchase. The company recorded significant movement in investment in equity securities as a result of an increase in the market unit price of equity investment. See note 26.

The table below summarises the impact of increases/decreases in the price of the equity securities on the Group's post-tax profit for the year. The analysis is based on the assumption that the NSE All Share Index had increased/decreased by 20% with all other variables held constant.

	Impact on profit or loss	
	2017	2016
	N'000	N'000
Effect of 20% increase in market price of equity securities	994,271	441,589
Effect of 20% decrease in market price of equity securities	(994,271)	(441,589)

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short term and long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy on managing interest rate risk is to negotiate favourable terms with the bank(s) to reduce the impact of its exposure to this risk. The interest rate risk is significantly concentrated with United Bank of Africa Plc (UBA) being the major lender to the Group. The borrowings are disclosed in note 19.

At 31 December 2017, if interest rates on borrowings at that date had been 1% higher/lower with all other variables held constant, the recalculated post-tax profit of the Group would have been N604 million (2016: N519 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk arises from cash and cash equivalents, deposits and debt securities with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant concentrations of credit risk.

Credit risk is managed by the Chief Executive Officer and the Chief Finance Officer, except for credit risk relating to trade receivable balances.

Most of the Group's trade customers are not independently rated, therefore the quality of the customer is considered by taking into account its financial position, past experience and other factors. Each subsidiary is responsible for managing and analysing the credit risk for each of their new customers before standard delivery terms and conditions are offered. The continuous credit worthiness of the existing customers is analysed periodically based on history of performance of the obligations and settlement of their debt. The Group does not hold any collateral as security. No receivables have had their terms renegotiated

No financial assets are past due except for trade receivables. As at 31 December 2017, trade receivables of N3.7 billion (2016: N4.5 billion) were fully performing, N74.1 billion (2016: N43.6 billion) were past due but not impaired and N1.3 billion (2016: N778.3 million) were impaired. The aging analysis of the latter two categories of receivables is as follows:

	Group	
	2017 N'000	2016 N'000
Past due but not impaired	74,133,722	43,634,259
Up to 3 months	23,170,990	42,940,788
3 to 6 months	10,639,634	596,933
Over 6 months	40,323,098	96,538
Impaired	1,298,025	778,288
Up to 3 months	-	-
3 to 6 months	27,353	51,982
Over 6 months	1,270,672	726,306

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to historical information about default rates.

	Group	
	2017 N'000	2016 N'000
Customers with no history of default	4,657,659	5,522,551
– Receivable from related party	991,769	1,003,320
– New customers (less than 6 months)	-	-
– Existing customers (more than 6 months)	3,665,890	4,519,231
Total unimpaired trade receivables	4,657,659	5,522,551

Concentration of credit risk is determined by the percentage of trade receivable due from a counterparty in proportion to the total trade receivables of the Group. Any receivable equal or greater than 25% of the total trade receivable of the Group is considered significant.

For the year ended 31 December 2017, the Group had a significant concentration of credit risk with one customer. Over 25% of the trade receivable was owed by the government regulated body for power transmission and the Nigerian Bulk Electricity Trading Company. No concentration risk by geography as all debtors are in Nigeria.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Cash flow forecasts are prepared by the Group Chief Finance Officer to monitor the Group's liquidity requirements and ensure it has sufficient cash to meet operational needs at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Such forecasts take into consideration the Group's committed and expected debt financing plans, internal and administrative cashflow requirements in arriving at the headroom for investments.

Surplus cash held by the Group over and above the balance required for working capital management are invested in debt or equity securities. These can be realised in the short term to provide sufficient head-room as determined by the above-mentioned forecasts.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

N'000 At 31 December 2017	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other creditors	41,054,748	-	-	-	-
Accruals and other liabilities	20,336,070	-	-	-	-
Due to related parties	236,789	-	-	-	-
Borrowings	10,604,480	16,844,828	12,218,196	72,174,309	257,520

N'000 At 31 December 2016	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other creditors	26,820,960	-	-	-	-
Accruals and other liabilities	4,534,562	-	-	-	-
Due to related parties	63,002	-	-	-	-
Borrowings	6,256,665	3,377,229	22,587,177	60,622,161	3,988,854

Company

N'000 At 31 December 2017	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accruals and other creditors	761,946	-	-	-	-
Due to related parties	2,940,353	-	-	-	-
Borrowings	4,993,836	3,284,143	3,260,347	10,154,984	-

N'000 At 31 December 2016	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Accruals and other creditors	224,028	-	-	-	-
Due to related parties	5,454,253	-	-	-	-
Borrowings	5,356,947	683,362	5,844,816	6,504,406	-

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to maximise returns for shareholders.

Consistent with others in the industry, the Group monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as total debt divided by total equity. Total debt is a sum of the short and long term borrowings. Total equity is calculated as the sum of all equity components of the statement of financial position.

In order to maintain or adjust the capital structure, the Group may increase or reduce its borrowings to obtain an appropriate gearing ratio.

During 2017, the Group's strategy, which was unchanged from 2016, was to maintain the gearing ratio between 75% and 120% for financing its long term investments in the agriculture, power, oil and gas and hospitality sectors. The gearing ratios at 31 December 2017 and 2016 are as follows:

	Group		Company	
	2017 N'000	2016 N'000	2017 N'000	2016 N'000
Total debt	112,099,334	98,544,263	21,693,310	19,218,343
Less: cash and cash equivalents	(5,598,282)	(2,361,320)	(339,974)	(5,026)
Net debt	106,501,052	96,182,943	21,353,336	19,213,317
Total equity	95,707,797	86,448,597	35,607,146	30,945,499
Gearing ratio	111%	111%	60%	62%

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (Level 1): Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (Level 2): Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- (Level 3): Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets that are measured at fair value at 31 December 2017. See note 8 for disclosures of investment property that are measured at fair value.

Assets	At 31 December 2017			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive				
Equity securities at fair value through OCI	4,971,353	-	-	4,971,353
At 31 December 2016				
Assets	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Equity securities at fair value through	2,207,943	-	-	2,207,943

There were no transfers between levels 1 and 2 during the year.

Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments listed on the Nigerian Stock Exchange (NSE) classified as equity securities at fair value through other comprehensive income.

4. Critical accounting estimates and judgments

4.1 Critical accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the directors to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on the directors' experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Group has made in the preparation of the financial statements:

Impairment of goodwill

The Group reviews goodwill at least annually and other non-financial assets when there is any indication that the asset might be impaired. The Group has estimated the value in use and fair value of operating segments to which goodwill is allocated using discounted cash flow models that required assumptions about future cash flows, margins, and discount rates. See note 7 for methods and assumptions used in estimating net recoverable amount.

4.2 Critical judgements in applying the entity's accounting policies

Consolidation of entities in which the Group holds less than 50%:

The Group is considered to have de facto control of Transcorp Staff Share Ownership Trust Company Limited (the entity) even though the Group's interest is only 1%. Control has been determined based on the following considerations:

- i) The Group directs the activities that significantly affect the entity's returns
- ii) Transcorp is exposed to variable returns from its involvement with the entity as the residual shares in the scheme belong to the Company.
- iii) Transcorp has the ability to use its power to affect the returns from its involvement with the entity.

5. Segment analysis

The Group

The chief operating decision-maker has been identified as the Board of Directors of Transcorp. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. The Board considers the business from an industry perspective and has identified 5 operating segments.

(i) Hospitality

The hospitality business is made up of its direct subsidiary Transcorp Hotels Plc. (THP) and indirect subsidiaries, Transcorp Hotels Calabar Limited (THC), Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited. These entities render hospitality services to customers.

(ii) Agriculture

This relates to a subsidiary Teragro Commodities Limited. The subsidiary is engaged in the manufacturing/processing of fruit concentrates from fruits from which the Group derives revenue.

(iii) Power

This relates to a subsidiary Transcorp Power Limited (TPL). The subsidiary is engaged in generation of electric power.

(iv) Oil & Gas

Two subsidiaries make up the oil & gas segment namely Transcorp Energy Limited and Transcorp OPL 281 Limited. The companies are into the exploration, refining and marketing of petroleum products. The subsidiaries are in the start-up phase and have not started generating revenue.

(v) Corporate Centre

This segment is the parent Company, Transnational Corporation of Nigeria Plc and the other non-operational subsidiaries.

The Board assesses the performance based on operating profits for each operating segment that is reviewed by the Board. Other information provided, except as noted below, to the Board is measured in a manner consistent with that of the financial statements.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the group is measured in a manner consistent with that in the income statement.

Total segment assets exclude tax related assets. These are included in the reconciliation to the total statement of financial position assets.

As at 31 December 2017	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	13,843,471	-	-	66,441,488	5,121,992	(5,121,992)	80,284,959
Finance income	217,168	-	65	841	1,483,401	(1,203,216)	498,259
Finance cost	-	-	(95,184)	(12,192,922)	(3,016,285)	1,079,682	(14,224,709)
Depreciation and amortisation	(1,052,483)	(10,685)	(37,709)	(58,888)	(10,119)	-	(1,169,884)
Profit/(loss) before taxation	3,604,545	456,704	(73,412)	10,838,063	2,567,738	(5,088,091)	12,305,547
Taxation	(999,738)	-	-	-	(698,533)	-	(1,698,271)
Segmental assets	107,459,361	5,105,459	334,917	147,518,024	63,094,513	(37,989,969)	285,522,305
Segmental liabilities	51,038,659	5,578,670	2,050,148	131,911,931	27,487,367	(28,252,267)	189,814,508
Net assets	56,420,702	(473,211)	(1,715,231)	15,606,093	35,607,146	(9,737,702)	95,707,797

As at 31 December 2016	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	15,341,012	-	15,791	44,067,816	2,537,628	(2,537,628)	59,424,619
Finance income	575,585	-	-	11	1,426,351	(1,638,931)	363,016
Finance cost	-	(575,449)	(43,644)	(24,885,907)	(3,141,314)	1,638,931	(27,007,383)
Depreciation and amortisation	(1,024,622)	-	(18,021)	(2,118,635)	(14,727)	-	(3,176,005)
Profit/(loss) before taxation	5,239,777	(612,083)	(176,224)	(8,083,229)	(449,502)	(1,847,087)	(5,928,348)
Taxation	(1,056,088)	-	-	6,266,606	(409,168)	-	4,801,350
Segmental assets	90,207,668	3,812,157	383,284	115,773,276	58,104,077	(36,119,731)	232,160,731
Segmental liabilities	35,451,444	4,742,073	1,587,398	102,341,915	27,596,240	(26,006,936)	145,712,134
Net assets	54,756,224	(929,916)	(1,204,114)	13,431,361	30,507,837	(10,112,795)	86,448,597

Revenues from transactions with other operating segments relates to dividend income from Transcorp Hotels Plc and Transcorp Power Limited to the Company, Transnational Corporation of Nigeria Plc.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

The totals presented for the Group's operating segments reconcile to the key financial figures as presented in its financial statements as follows:

	31 December 2017 N'000	31 December 2016 N'000
Revenue		
Total revenue for reportable segments	85,406,951	61,962,247
Elimination of inter-segment revenue	(5,121,992)	(2,537,628)
External revenue	80,284,959	59,424,619
Profit or loss		
Total (loss) or profit for reportable segments	17,393,638	(4,081,261)
Elimination of inter-segment profits	(5,088,091)	(1,847,087)
Consolidated (loss) or profit before taxation	12,305,547	(5,928,348)
Assets		
Total assets of reportable segments	323,512,274	268,280,462
Consolidation eliminations	(37,989,969)	(36,119,731)
Consolidated total assets	285,522,304	232,160,731
Liabilities		
Total liabilities of reportable segments	218,066,775	146,159,117
Consolidation eliminations	(28,252,267)	(446,983)
Consolidated total liabilities	189,814,508	145,712,134

The nature of differences between the measurements of the reportable segment's assets/liabilities and the assets/liabilities of the Group is as follows:

(i) Elimination of inter-segment revenue relates to dividend income from Transcorp Power Limited and Transcorp Hotels to Transnational Corporation of Nigeria.

(ii) Elimination of inter-segment profits relates to dividend income between the segments and other income arising from transactions with non-controlling interests.

(iii) Investments of Transnational Corporation of Nigeria Plc in its subsidiaries and investment of Transcorp Hotels Plc in Transcorp Hotels Calabar Limited, Transcorp Hotels Port Harcourt Limited and Transcorp Hotels Ikoyi Limited respectively accounts for the consolidation eliminations of total assets of reportable segments. Inter-segment receivables were also eliminated to arrive at the consolidated total assets.

(iv) Inter-segment payables, dividend payable to segments within the Group and management fees payable and interest payable to Transnational Corporation of Nigeria Plc from Transcorp Hotels Plc accounts for the consolidation eliminations in total liabilities of the reportable segments.

Entity-wide information

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

Analysis of revenue by category:

	31 December 2017 N'000	31 December 2016 N'000
Rooms	8,508,774	9,632,146
Food and beverage	4,091,762	4,528,631
Shop rental	625,235	299,653
Service charge	127,784	160,049
Other operating revenue	489,916	720,533
Juice concentrate	-	15,791
Capacity charge	23,422,076	15,453,485
Energy sent out	42,904,512	28,445,957
Ancillary services	114,900	168,374
Total	80,284,959	59,424,619

The Group is domiciled in Nigeria where it generates all its revenue. The total non-current assets of the Group are all located in Nigeria.

6. Property, plant and equipment (PP&E)

Group	Land N'000	Building & improvements N'000	Plant & machinery N'000	Furniture & fittings N'000	Computer & office equipments N'000	Motor vehicles N'000	Capital work in progress N'000	Total N'000
Cost								
Balance as at 1 January 2016	35,400,258	17,235,252	50,992,918	2,844,500	61,484	702,524	15,856,369	123,093,305
Additions	188,487	371,502	1,170,987	233,565	64,177	10,701	11,942,951	13,982,370
Interest capitalised	-	-	-	-	-	-	4,078,949	4,078,949
Reclassification	-	-	39,695	106,847	-	-	(146,542)	-
Disposals	-	-	(2,172)	-	(2,111)	(24,970)	-	(29,253)
	35,588,745	17,606,754	52,201,428	3,184,912	123,550	688,255	31,731,727	141,125,371
Balance as at 1 January 2017	35,588,745	17,606,754	52,201,428	3,184,912	123,550	688,255	31,731,727	141,125,371
Additions	309,609	79,161	5,428,784	26,478	273,606	55,703	11,325,667	17,499,007
Interest capitalised	-	-	-	-	-	-	3,168,732	3,168,732
Reclassification	-	181	6,036,816	-	-	29,500	(6,066,497)	-
Disposals	-	-	(4,578)	(304)	(155,828)	(40,554)	-	(201,264)
Write offs	-	-	(75,541)	(5,935)	-	-	(8,778)	(90,254)
Balance as at 31 December 2017	35,898,354	17,686,096	63,586,909	3,205,151	241,328	732,904	40,150,851	161,501,592
Depreciation								
Balance as at 1 January 2016	-	1,846,480	9,134,877	2,007,772	22,117	321,029	-	13,332,275
Depreciation	-	413,720	2,342,344	256,548	29,023	109,697	-	3,151,332
Disposals	-	-	(1,312)	-	(405)	(17,080)	-	(18,797)
Balance as at 31 December 2016	-	2,260,200	11,475,909	2,264,320	50,735	413,646	-	16,464,810
Balance as at 1 January 2017	-	2,260,200	11,475,909	2,264,320	50,735	413,646	-	16,464,810
Depreciation	-	418,618	2,537,432	45,944	338,967	105,603	-	3,446,565
Disposals	-	-	(2,477)	(51)	(155,432)	(17,559)	-	(175,519)
Write offs	-	-	(57,786)	(12,069)	-	-	-	(69,855)
Balance as at 31 December 2017	-	2,678,818	13,953,078	2,298,144	234,270	501,690	-	19,666,001
Net book value								
At 31 December 2016	35,588,745	15,346,554	40,725,519	920,592	72,815	274,609	31,731,727	124,660,561
At 31 December 2017	35,898,354	15,007,278	49,633,831	907,007	7,057	231,214	40,150,851	141,835,592

6. Property, plant and equipment (contd)

Borrowing costs capitalised for the Group amounted to N3.17 billion (2016 : N4.08 billion). Borrowing costs were capitalised at the weighted average rate of its general borrowings of 15.75%.

Depreciation is allocated as follows;

	Group	
	2017 N'000	2016 N'000
Cost of sales	2,296,884	2,079,059
Administrative expenses	1,149,681	1,072,273
	3,446,565	3,151,332

All depreciation expenses for the company are charged to administrative expenses.

Company	Building & improvements	Plant & Machinery	Furniture & fittings	Computer & office equipments	Motor vehicles	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2016	28,294	4,618	29,608	27,008	13,975	103,503
Additions	568	-	-	280	-	848
Disposals	-	-	-	-	(6,000)	(6,000)
Balance as at 31 December 2016	28,862	4,618	29,608	27,288	7,975	98,351
Balance as at 1 January 2017	28,862	4,618	29,608	27,288	7,975	98,351
Additions	-	7,715	322	1,383	-	9,420
Disposals	-	(3,562)	-	(634)	-	(4,196)
Balance as at 31 December 2017	28,862	8,771	29,930	28,037	7,975	103,575
Depreciation						
Balance as at 1 January 2016	19,082	1,124	15,339	21,751	11,192	68,488
Depreciation for the year	5,540	672	4,008	2,549	1,035	13,804
Disposals	-	-	-	-	(5,191)	(5,191)
Balance as at 31 December 2016	24,622	1,796	19,347	24,300	7,036	77,101
Balance as at 1 January 2017	24,622	1,796	19,347	24,300	7,036	77,101
Depreciation for the year	3,700	1,115	3,781	945	293	9,835
Disposals	-	(1,461)	-	(238)	-	(1,699)
Balance as at 31 December 2017	28,322	1,450	23,128	25,007	7,329	85,237
Net book value						
At 31 December 2016	4,240	2,822	10,261	2,988	939	21,250
At 31 December 2017	540	7,321	6,802	3,029	646	18,338

7. Intangible assets

	Group					Company		
	Goodwill N'000	Computer software N'000	Oil Prospecting License N'000	Exploration and evaluation expenditure N'000	Total N'000	Computer software N'000	Oil Prospecting License N'000	Total N'000
Cost								
At 1 January 2016	30,934,143	145,040	5,075,818	2,818,412	38,973,413	12,966	5,075,818	5,088,784
Addition	-	65,206	-	24,686	89,892	-	-	-
As at 31 December 2016	30,934,143	210,246	5,075,818	2,843,098	39,063,305	12,966	5,075,818	5,088,784
At 1 January 2017	30,934,143	210,246	5,075,818	2,843,098	39,063,305	12,966	5,075,818	5,088,784
Addition	-	47,924	-	537,650	585,574	-	-	-
As at 31 December 2017	30,934,143	258,170	5,075,818	3,380,748	39,648,879	12,966	5,075,818	5,088,784
Accumulated amortisation								
At 1 January 2016	-	86,663	-	-	86,663	12,399	-	12,399
Amortisation charge (Note 24)	-	24,673	-	-	24,673	283	-	283
As at 31 December 2016	-	111,336	-	-	111,336	12,682	-	12,682
At 1 January 2017	-	111,336	-	-	111,336	12,682	-	12,682
Amortisation charge (Note 24)	-	20,203	-	-	20,203	284	-	284
As at 31 December 2017	-	131,539	-	-	131,539	12,966	-	12,966
Net book value								
At 31 December 2016	30,934,143	98,910	5,075,818	2,843,098	38,951,969	284	5,075,818	5,076,102
At 31 December 2017	30,934,143	126,631	5,075,818	3,380,748	39,517,340	-	5,075,818	5,075,818

Goodwill is not amortised but tested for impairment annually. There are no internally generated intangible assets.

The Production Sharing Contract between Transcorp and the Nigerian National Petroleum Corporation was signed by the Federal Government of Nigeria on 2 May 2014. Per the agreement, the exploration period is for 5 years after which the OPL converts to an Oil Mining License for a period of 20 years. Amortisation of the OPL cost will commence when it has been determined that commercial quantity of crude can be produced from the oil field and mining commences.

7. Intangible assets (contd)

All expenditure related to the exploration and evaluation activities were capitalised during the year. Expenditure incurred during the year on exploration and drilling activities was N537.65 million (2016: N24.68 million) and nil (2016: Nil) was incurred.

Goodwill has been allocated to the following Cash Generating Units (CGUs)	31 December	31 December
	2017	2016
	N'000	N'000
Transcorp Hotels Calabar (THC)	863,163	863,163
Transcorp Hotels Plc (THP)	20,369,790	20,369,790
Transcorp Power Limited (TPL)	9,701,190	9,701,190
	<u>30,934,143</u>	<u>30,934,143</u>

Goodwill arose from the excess of the consideration over acquisition-date fair values of identifiable assets and liabilities of subsidiaries acquired. The goodwill amount relates to pre-existing goodwill from previous business combinations.

In assessing goodwill for impairment at 31 December 2017 and 2016, the Company compared the aggregate recoverable amount of the assets included in the CGUs below to their respective carrying amounts. Recoverable amount has been determined based on the value in use of the CGUs using five year cash flow budgets approved by directors that made maximum use of observable markets for inputs and outputs. For periods beyond the budget period, cash flows were extrapolated using growth rates that do not exceed the long-term average for the business.

The key assumptions used for the value-in-use calculations are as follows:

	31 December 2017			31 December 2016		
	TPL	THC	THP	TPL	THC	THP
Budgeted gross margin %	41%	71%	74%	43%	70%	73%
Weighted average growth rate	6%	6%	6%	6%	6%	6%
Pre-tax discount rate	17%	17%	17%	14%	17%	17%

Reasonably possible changes in key assumptions would not cause the recoverable amount of goodwill to fall below the carrying value.

8. Investment property

Non-current assets - at fair value	Group		Company	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
At 1 January	1,706,600	1,706,600	1,706,600	1,706,600
At 31 December	<u>1,706,600</u>	<u>1,706,600</u>	<u>1,706,600</u>	<u>1,706,600</u>

Investment property at 31 December 2017 relates to a piece of land at Rumens Road Ikoyi measuring approximately 4,876.15 square meters. The Company engages external, independent and qualified valuer (Ubosi Eleh & Co) to determine the fair value of the Company's investment property at the end of every financial year.

The title to this property was revoked in a Newspaper publication dated 29 May 2015 by a revocation order of the Minister of Lands, Housing & Urban Development.

A suit has been filed at Federal High Court challenging the legality of the revocation. An interim Order of injunction was obtained restraining Minister of Lands, Housing & Urban Development from giving effect to the revocation order (FHC/L/CS/794/2015 TNC V AG FEDERATION & MINISTER OF LANDS). The court subsequently struck out the suit while ruling on a preliminary objection challenging its jurisdiction.

8. Investment property (contd)

The company filed a notice of appeal against the ruling of the Federal High Court and an application for stay of proceedings both at the Court of Appeal and the Federal High Court. The Federal High Court granted the Company's application and stayed proceedings in the suit pending the determination of the appeal.

As at the date of the approval of these financial statements, the directors, based on representation from their legal advisers expects that there is no likelihood of unfavourable outcome in the suit.

The table below analyses the non-financial assets carried at fair value, by valuation method. The current market prices of the land were used to determine the fair value as at these dates.

Fair value is measured through the following:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Recurring fair value measurements

Fair value measurements at 31 December 2017 using (N'000)		
Level 1	Level 2	Level 3
-	1,706,600	-

There were no transfers between levels 1 and 2 during the year.

Valuation techniques used to derive level 2 fair values

Level 2 fair values of land have been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

9. Investment in subsidiaries

	Company	
	31 December	31 December
	2017	2016
	N'000	N'000
Transcorp Hotel Plc	19,618,523	19,618,523
Transcorp Power Limited	7,860,464	7,860,464
Other subsidiaries companies	50,900	50,900
	<u>27,529,887</u>	<u>27,529,887</u>

Movement in investment in subsidiaries is analysed as follows:

	Company	
	31 December	31 December
	2017	2016
	N'000	N'000
At 1 January	27,529,887	27,529,887
At 31 December	<u>27,529,887</u>	<u>27,529,887</u>

	Company	
	31 December	31 December
	2017	2016
	N'000	N'000

(a) Investments in subsidiary companies eliminated on consolidation is shown below:

Transnational Corporation investment in subsidiary:

Transcorp Hotels Plc (THP)	19,618,523	19,618,523
Transcorp Properties Limited	10,000	10,000
Transcorp Power Limited	7,860,464	7,860,464
Transcorp OPL 281 Limited	500	500
Transcorp Energy Limited	9,900	9,900
Teragro Commodities Limited	9,500	9,500
Transcorp Refining Company Limited	1,000	1,000
Transcorp Trading and Logistics Limited	10,000	10,000
Transcorp Telecomms Limited	10,000	10,000
	<u>27,529,887</u>	<u>27,529,887</u>

THP investment in subsidiary:

Transcorp Hotels Calabar Limited	3,508,621	3,508,621
Transcorp Hotels Port Harcourt Limited	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
	<u>3,529,781</u>	<u>3,529,781</u>

Transcorp Refining Company Limited, Transcorp Telecomms Limited, Transcorp Trading and Logistics Limited are dormant and are undergoing winding up proceedings. The subsidiaries to be wound up have no assets, liabilities, income or expenses as these subsidiaries were incorporated but no further activities were performed. Hence there are no assets held for sale and no income or expenses from discontinued operations.

9. Investment in subsidiaries (contd)

(b) Other relevant details of the investments are as follows:

Subsidiaries	Nature of business	Issued share capital (in thousands)	Parent's interest	Group's interest	Non-controlling's interest
Transcorp Hotels Plc (THP)	Rendering of hospitality services.	7,600,404	83%	83%	17%
Transcorp Refining Company Limited	Oil and gas consultancy exploration, refining and marketing.	1,000	100%	100%	-
Transcorp Telecomms Limited	Distribution of global systems for mobile communication.	10,000	100%	100%	-
Teragro Commodities Limited (TRG)	Cultivate the soil and grow food, cash and fodder crops.	10,000	95%	100%	-
Transcorp Trading and Logistics Limited	General maritime operations including transportation.	10,000	100%	100%	-
Transcorp Employee Share Scheme	Manages shares ownership scheme set up for the employees.	10	1%	1%	99%
Transcorp Energy Limited	Mining, refining and supply merchants of mining produce.	10,000	99%	100%	-
Transcorp Properties Limited	Building, contractors, decorators, merchants and dealers in stone, sand, lime, iron, etc.	10,000	100%	100%	-
Transcorp Hotels Calabar Limited	Rendering of hospitality services.	7,690	0%	83%	17%
Transcorp Power Limited (TPL)	Investment in power generation.	66,152	50%	50%	50%
Transcorp OPL 281 Limited	Oil and gas exploration, refining and marketing.	500	100%	100%	-
Transcorp Hotels Ikoyi Limited	Rendering of hospitality services.	2,000	0%	52%	48%
Transcorp Hotels Port Harcourt Limited	Rendering of hospitality services.	20,000	0%	100%	-

All subsidiaries are incorporated in Nigeria.

9. Investment in subsidiaries (contd)

c) Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group.

THP Group comprises Transcorp Hotels Plc, Transcorp Hotels Calabar Limited Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited.

Summarised statement of financial position	Transcorp Hotels Plc (THP) - Group		Transcorp Power Limited (TPL)	
	2017 N'000	2016 N'000	2017 N'000	2016 N'000
<i>Current</i>				
Asset	8,485,087	11,618,676	82,800,106	51,932,816
Liabilities	(14,950,730)	(13,501,953)	(88,865,433)	(63,036,099)
Total net current (liabilities)/assets	(6,465,643)	(1,883,277)	(6,065,327)	(11,103,283)
<i>Non-current</i>				
Assets	92,047,452	79,145,837	64,717,731	56,981,731
Liabilities	(30,646,683)	(24,062,167)	(43,046,309)	(32,449,090)
Total non-current net assets	61,400,769	55,083,670	21,671,422	24,532,641
Net assets	54,935,126	53,200,393	15,606,095	13,429,358
Summarised statement of comprehensive income				
	2017 N'000	2016 N'000	2017 N'000	2016 N'000
Revenue	13,843,470	15,311,879	66,441,488	44,067,817
Profit /(loss) before income tax	3,680,155	5,234,986	10,838,066	(8,083,230)
Income tax (charge)/credit	(998,422)	(1,139,582)	-	6,269,910
Post-tax profit/(loss) from continuing operations	2,681,733	4,095,404	10,838,066	(1,813,320)
Total comprehensive income/(loss)	2,681,733	4,095,404	10,838,066	(1,813,320)
Total comprehensive income/(loss) allocated to non-controlling interests	455,895	696,219	5,417,949	(906,479)
Dividends paid to non-controlling interests	156,539	502,521	4,329,799	-
Summarised cash flows				
	2017 N'000	2016 N'000	2017 N'000	2016 N'000
Cash flows from operating activities				
Cash generated from operations	11,548,462	8,014,100	8,646,705	5,813,757
Income tax paid	(1,386,174)	(3,042,659)	-	-
Net cash generated from operating activities	10,162,288	4,971,441	8,646,705	5,813,757
Net cash used in investing activities	(10,117,805)	(11,449,513)	(6,836,976)	(3,502,675)
Generated from /(used in) from financing activities	483,592	(6,044,612)	(827,477)	(2,081,857)
Net increase/(decrease) in cash and cash equivalents	528,075	(12,522,684)	982,252	229,226
Cash and cash equivalents at beginning of year	1,814,074	14,184,829	444,280	215,054
Effect of exchange rate fluctuations on cash held	345,325	151,929	-	-
Cash and cash equivalents at end of year	2,687,474	1,814,074	1,426,532	444,280

The information above is the amount before inter-company eliminations.

10 Deferred tax

	Group	
	2017	2016
	N'000	N'000

The gross movement on the deferred income tax account is as follows:

Deferred tax assets	3,348,918	3,356,550
Deferred tax liabilities	(7,159,053)	(7,158,798)
	(3,810,135)	(3,802,248)

Deferred tax

Accelerated tax depreciation	(8,402,735)	(8,405,601)
Fair value on revaluation	(2,774,698)	(2,774,698)
Unrealised FX losses	7,367,850	7,367,850
Tax losses carried forward	(552)	10,201
	(3,810,135)	(3,802,248)

	Accelerated tax depreciation N'000	Fair value on revaluation N'000	Unrealised FX losses N'000	Tax losses carried forward N'000	Total N'000
At 1 January 2016	8,768,413	2,774,698	(1,097,940)	57,259	10,502,430
Credited to the income statement	(362,812)	-	(6,269,910)	(67,460)	(6,700,182)
At 31 December 2016	8,405,601	2,774,698	(7,367,850)	(10,201)	3,802,248
At 1 January 2017	8,405,601	2,774,698	(7,367,850)	(10,201)	3,802,248
Credited to income statement	(2,866)	-	-	10,752	7,887
At 31 December 2017	8,402,735	2,774,698	(7,367,850)	551	3,810,135

11. Prepaid lease rental

	Group	
	31 December 2017	31 December 2016
	N'000	N'000
At 1 January	88,704	35,000
Addition	-	83,704
Utilisation	(18,951)	(30,000)
At 31 December	69,753	88,704
Less: minimum lease payments for the next 12 months	(16,741)	(30,000)
Non current lease payments	53,013	58,704
Non current lease payments has been analysed as follows:		
Due between 1 to 5 years	53,013	58,704

Prepaid lease rental represents amounts paid to Benfruit Nigeria Limited by one of the subsidiaries, Teragro Commodities Limited for lease of facilities and equipment. The lease is for a 10 year period, commencing from the date of commissioning at an initial lease rental of N30 million per annum subject to a renewal option for the lessee of further terms of 5 years each.

12. Inventories

	Group	
	31 December 2017 N'000	31 December 2016 N'000
Food and beverage	231,431	215,486
Fuel/lubricant	100,659	56,075
Spares	4,188,812	4,368,435
Guest supplies	117,540	66,474
Finished goods	16,286	1,170
Packaging materials	8,752	8,752
Other sundry stock	6,153	6,153
	4,669,633	4,722,545
Less impairment	(23,024)	-
	4,646,609	4,722,545

All inventory are stated at lower of cost and net realisable value. The cost of inventories recognised as an expense and included in 'cost of sales' amount to N2.1 billion (2016: N2.8 billion). Impairment charge of N23 million (2016: Nil) was recorded on the Group's inventory in the income statement.

13. Trade and other receivables

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Trade receivables	79,097,637	48,931,779	-	-
Less: provision for impairment (a)	(1,298,025)	(778,288)	-	-
Trade receivables - net	77,799,612	48,153,491	-	-
Other receivables	5,101,911	4,855,630	4,269,723	3,857,529
Prepayments	356,058	521,929	77,040	67,378
Due from related companies (note 37)	570,278	573,489	18,402,380	15,157,871
Dividend receivable	-	-	711,657	2,284,117
	83,827,859	54,104,539	23,460,800	21,366,895

a Provision for impairment of trade receivables

	Group	
	2017 N'000	2016 N'000
Balance at 1 January	778,288	589,973
Impairment losses recognised on receivables	519,737	188,315
Balance at 31 December	1,298,025	778,288

A significant portion of the increase in trade receivable relates to receivable from the Transmission Company of Nigeria Plc and Nigerian Bulk Electricity Trading Plc which are the government regulated bodies for the power business.

14. Debt and equity securities

	Group and Company	
	31 December 2017 N'000	31 December 2016 N'000
Non-current portion		
Equity securities at fair value through OCI	4,971,353	2,207,943
	<u>4,971,353</u>	<u>2,207,943</u>

See movement in debt and equity securities below:

	2017		2016	
	Equity securities N'000	Fixed income N'000	Equity securities N'000	Fixed income investment N'000
At 1 January	2,207,943	-	1,764,937	358,887
Fair value gain	2,798,973	-	547,479	-
Liquidation	(35,563)	-	(104,473)	(18,519)
Impairment	-	-	-	(340,368)
At 31 December	<u>4,971,353</u>	<u>-</u>	<u>2,207,943</u>	<u>-</u>

Equity securities represent shares of various companies that are listed on the Nigerian Stock Exchange (NSE). The original amount invested in equity securities was N1.3 billion. These investments have recorded a fair value profit of N2.80 billion (2016: fair value profit of N547 million).

15. Cash and cash equivalents

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Cash and bank balance	<u>5,598,282</u>	<u>2,361,320</u>	<u>339,974</u>	<u>5,026</u>

Included in cash and bank balance for the Group is the of N210 million which is restricted due to a current court lien placed on it since May 2012. This lien relates to an existing court case between the Lagos State Government and the Power Holding Company of Nigeria (PHCN).

16. Trade and other payables

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Trade creditors	41,054,748	26,820,960	-	-
Accruals and other liabilities	15,738,766	4,010,048	305,016	224,028
Deferred income	3,092,164	41,379	-	-
Deposit from guests	127,203	126,573	-	-
VAT payable	262,783	55,618	135,930	-
Unclaimed dividend	321,000	-	321,000	-
Dividend payable	4,063,921	524,215	-	-
Due to related companies (Note 37)	186,389	7,683	2,940,353	5,454,253
	<u>64,846,974</u>	<u>31,586,476</u>	<u>3,702,299</u>	<u>5,678,281</u>

During the year, the managers of the Transcorp Hilton Hotel Abuja, Hilton World Wide Manage Limited contributed \$10 million dollars towards the refurbishment of the hotel. The contribution is not repayable by the Company and does not attract any interest. The amount contributed will be amortised over the next 20 years in line with the executed contract. This amount has been recognised as part of deferred income above.

17. Deposit for shares

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Deposit for shares	2,410,000	2,410,000	-	-

Based on the Memorandum of Understanding between Transcorp Hotels Plc and Heirs Holdings Limited, Transcorp Hotels Ikoyi Limited will issue shares to Heirs Holdings Limited on completion of the construction and start of operation of the hotel.

Deposit for shares relates to Heirs Holding Nigeria Limited's contribution to the development of Transcorp Hotels Ikoyi Limited.

18. Taxation

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Income tax	1,104,090	1,629,876	186,334	155,405
Education tax	74,095	15,193	-	-
	1,178,185	1,645,069	186,334	155,405
Tax on franked investment income	512,199	253,763	512,199	253,763
Deferred tax (note 10)	7,887	(6,700,182)	-	-
	1,698,271	(4,801,350)	698,533	409,168

The movement in tax payable is as follows:

	Group		Company	
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
At 1 January	4,137,597	5,695,106	196,580	202,198
Provision for the year	1,178,185	1,645,069	186,334	155,405
Payment during the year	(3,891,635)	(3,202,578)	(157,899)	(161,023)
At 31 December	1,424,147	4,137,597	225,015	196,580

A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the years ended 31 December 2017 and 2016 is as follows:

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Profit/(loss) before tax	12,305,547	(5,928,348)	2,567,737	(439,925)
Tax at Nigeria Corporation tax rate of 30% (2015: 30%)	3,691,664	(1,778,504)	770,321	(131,978)
Education tax	74,095	15,193	-	-
Deferred education tax	7,410	-	-	-
Tax on franked investment income	512,199	253,763	512,199	253,763
Expenses not deductible for tax purposes	1,507,070	(5,956,201)	258,762	313,709
Income not subjected to tax	(4,994,683)	(1,305,251)	(1,743,264)	(761,288)
Tax losses for which no deferred income tax asset was recognised	714,182	3,814,245	714,182	579,557
Minimum tax adjustments	186,334	155,405	186,334	155,405
Tax charge/(credit) for the year	1,698,271	(4,801,350)	698,533	409,168

19. Borrowings

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Falling due within a year				
Bank borrowings	33,093,017	19,483,819	10,223,020	10,987,060
Unsecured bond	3,416,371	6,116,876	-	-
	<u>36,509,388</u>	<u>25,600,695</u>	<u>10,223,020</u>	<u>10,987,060</u>
Falling due after one year				
Bank borrowings	62,336,844	59,491,888	11,470,290	8,231,283
Unsecured bond	13,253,101	13,451,680	-	-
	<u>75,589,945</u>	<u>72,943,568</u>	<u>11,470,290</u>	<u>8,231,283</u>
Total	<u>112,099,333</u>	<u>98,544,263</u>	<u>21,693,310</u>	<u>19,218,343</u>

Notes to the consolidated and separate financial statements for the year ended 31 December 2017

19. Borrowings (contd)

The Company's subsidiary Transcorp Hotel Plc. issued unsecured bonds as analysed:

Purpose	Principal (N'000)	Bond type	Tenor	Interest rate	Outstanding as at 31 December 2017	Outstanding as at 31 December 2016
To upgrade and refurbish Transcorp Hilton Abuja and construct a Multipurpose Banquet Hall in Transcorp Hilton Abuja.	10,000,000	Unsecured	7 years	16% per annum	8,862,572	9,767,095
	9,785,000	Unsecured	5 years	15.5% per annum	7,806,901	9,785,000

The Group's borrowings are analysed below

Principal (N'000)	Principal (N'000)	Loan type	Tenor (Original period of borrowing)	Other terms/ Security	Interest rate	Outstanding Principal / drawdown as at 31 December 2017	Outstanding Principal / drawdown as at 31 December 2016
Company: (Restructured) To finance the Company's investment in target sectors.	11,412,685	Amortizing Consolidated Term Loan	5 years inclusive of 12 months moratorium	Negative pledge on all assets	16% per annum	11,412,685	11,412,685
Company: To finance the Company's investment in target sectors.	4,358,305	Term Loan Restructure	7 years inclusive of 12 months moratorium	Negative pledge on all assets	16% per annum	1,269,898	1,580,017
Company: To augment the Company's working capital requirements.	3,500,000	Revolving overdraft facility	365 days repayable on demand; available for 5 years	Negative pledge on all assets	16% per annum	3,953,479	2,569,978
Company: To provide working capital support to the Company business.	3,631,250	Revolving term loan	5 years with 180 days review cycle	Negative pledge on all assets	16% per annum	2,325,000	2,175,000
Company: To finance the staff share scheme.	-	Medium term loan	8 years and 6 months	Negative pledge on all assets	16% per annum	-	31,520
TPL: Ughelli Power Plant acquisition	35,000,000	Acquisition finance	7 years	Share charge, the Deed of Corporate guarantee, the assignment of contracts agreement and Trust Deed	Libor plus 8.5%	44,137,366	46,575,547
TPL: To finance the import of turbine equipment and guarantee payments. (\$40M).	6,700,000	Import Finance Facility	3 years and 180 days where a letter credit has been raised	Domiciliation of operational proceeds and Corporate guarantee	16% per annum	4,594,919	3,960,461
TPL: To support payment of gas supply to power plant and other working capital requirements.	2,325,000	Revolving overdraft facility	5 years with 365 days review cycle	Domiciliation of operational proceeds and Corporate guarantee	16% per annum	1,478,817	2,325,000
TPL: To finance debt service on dollar acquisition facility conversion. (N23bn).	14,362,125	Acquisition finance payment conversion	5 years with 365 days review cycle	Share charge, the deed of Corporate guarantee, the assignment of contracts agreement and Trust deed	16% per annum	11,533,044	5,031,814
Teragro: To finance working capital requirement including purchase of raw materials and plant maintenance.	500,000	Medium term loan	4 years	Corporate guarantee on Transnational Corporation of Nigeria Plc	18% per annum	500,000	500,000

20. Financial instruments and fair values

Measurement Categories

The following table shows the carrying values of financial assets and liabilities for each of these categories at 31 December 2017 and 2016.

Group	31 December 2017			
	N'000 Loans and receivables	N'000 Available for sale	N'000 Total carrying amount	N'000 Fair value
Trade and other receivables	83,471,801	-	83,471,801	83,471,801
Equity securities	-	4,971,353	4,971,353	4,971,353
Cash and cash equivalents	5,598,282	-	5,598,282	5,598,282
	<u>89,070,083</u>	<u>4,971,353</u>	<u>94,041,436</u>	<u>94,041,436</u>

Group	31 December 2017	
	N'000 Other financial liabilities at amortised cost	N'000 Fair value
Trade payables and other liabilities	61,306,607	61,306,607
Borrowings	112,099,334	96,322,560
	<u>173,405,941</u>	<u>157,629,167</u>

Group	31 December 2016			
	N'000 Loans and receivables	N'000 Available for sale	N'000 Total carrying amount	N'000 Fair value
Trade and other receivables	53,582,610	-	53,582,610	53,582,610
Equity securities	-	2,207,943	2,207,943	2,207,943
Cash and cash equivalents	2,361,320	-	2,361,320	2,361,320
	<u>55,943,930</u>	<u>2,207,943</u>	<u>58,151,873</u>	<u>58,151,873</u>

Group	31 December 2016	
	N'000 Other financial liabilities at amortised cost	N'000 Fair value
Trade payables and other liabilities	31,418,524	31,418,524
Borrowings	98,544,263	84,813,286
	<u>129,962,787</u>	<u>116,231,810</u>

Company	31 December 2017			
	N'000 Loans and receivables	N'000 Available for sale	N'000 Total carrying amount	N'000 Fair value
Trade and other receivables	23,383,760	-	23,383,760	23,383,760
Equity securities	-	4,971,353	4,971,353	4,971,353
Cash and cash equivalents	339,974	-	339,974	339,974
	<u>23,723,734</u>	<u>4,971,353</u>	<u>28,695,087</u>	<u>28,695,087</u>

Company	31 December 2017	
	N'000 Other financial liabilities at amortised cost	N'000 Fair value
Trade payables	3,702,299	3,702,299
Borrowings	21,693,310	16,859,273
	<u>25,395,609</u>	<u>20,561,572</u>

Company	31 December 2016			
	N'000	N'000	N'000	N'000
Financial assets	Loans and receivables	Available for sale	Total carrying amount	Fair value
Trade and other receivables	21,299,517	-	21,299,517	21,299,517
Equity securities	-	2,207,943	2,207,943	2,207,943
Cash and cash equivalents	5,026	-	5,026	5,026
	<u>21,304,543</u>	<u>2,207,943</u>	<u>23,512,486</u>	<u>23,512,486</u>

Financial liabilities	31 December 2016	
	N'000	N'000
	Other financial liabilities at amortised cost	Fair value
Trade payables	5,678,281	5,678,281
Borrowings	19,218,343	14,784,794
	<u>24,896,624</u>	<u>20,463,075</u>

Fair values, including valuation methods and assumptions

The following table shows the financial assets on the balance sheet that are measured at fair value in a hierarchy that is based on significance of the inputs used in making the measurements.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset that are not based on observable market data (that is, unobservable inputs). There were no transfer of financial assets between fair value levels of hierarchy.

Fair value Hierarchy	31 December 2017	31 December 2016	
Group and company	N'000	N'000	
Assets			
Equity securities at fair value through OCI	Level 1	<u>4,971,353</u>	<u>2,207,943</u>

The table below shows other financial instruments not measured at fair value but which the fair values have been disclosed:

Group	31 December 2017	31 December 2016	
Assets	N'000	N'000	
Loans and receivables			
Trade and other receivables	Level 3	<u>83,471,801</u>	<u>53,582,610</u>
Total assets		<u>83,471,801</u>	<u>53,582,610</u>
Liabilities	31 December 2017	31 December 2016	
Other financial liabilities at amortised cost	N'000	N'000	
Trade payables and other liabilities	Level 3	61,306,607	31,418,524
Borrowings	Level 2	96,322,560	84,813,286
Total liabilities		<u>157,629,167</u>	<u>116,231,810</u>
Company	31 December 2017	31 December 2016	
Assets	N'000	N'000	
Loans and receivables			
Trade and other receivables	Level 3	<u>23,383,760</u>	<u>21,299,517</u>
Total assets		<u>23,383,760</u>	<u>21,299,517</u>

		31 December 2017 N'000	31 December 2016 N'000
Liabilities			
Other financial liabilities at amortised cost			
Trade payables and other liabilities	Level 3	3,702,299	5,678,281
Borrowings	Level 2	21,693,310	14,784,794
Total liabilities		25,395,609	20,463,075

21. Advance deposits

		Group & Company	
		31 December 2017 N'000	31 December 2016 N'000
Sacoil / Equity, Energy and Resource (EER) farm-in fees		1,875,000	1,875,000

Payment of N1.875 billion (2016: N1.875 billion) relates to farm-in fee of \$12.5 million received from EER/SacOil being part of the consideration for the interest of EER and SacOil in Oil Prospecting License 281 (OPL 281). The farm-in process has not been completed.

In 2015, SacOil indicated its intention to discontinue its interest in OPL 281 and served the Company with a notice to refund the farm-in fee with interest totaling \$19 million. The Company instituted a suit against EER & SacOil for breach of contract and is claiming \$50 million in damages while contesting the refund request by SacOil. SacOil and the Company have reached an understanding to resolve the issues amicably, with significant progress made towards completing the process.

As at the date of approval of these financial statements, the directors, based on representation from their legal advisers expects that there is no likelihood of unfavourable outcome in the suit. The directors are furthered assured by the amicable resolution commitment of the parties.

22. Revenue

The group derives the following types of revenue:

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Rooms	8,508,774	9,632,146	-	-
Food and beverage	4,091,762	4,528,631	-	-
Shop rental	625,235	299,653	-	-
Service charge	127,784	160,049	-	-
Other operating revenue	489,916	720,533	-	-
Juice concentrate	-	15,791	-	-
Dividend income	-	-	5,121,992	2,537,628
Capacity charge	23,422,076	15,453,485	-	-
Energy sent out	42,904,512	28,445,957	-	-
Ancillary services	114,900	168,374	-	-
	80,284,959	59,424,619	5,121,992	2,537,628

All recognised revenue were generated in Nigeria.

23. Cost of sales

	Group	
	31 December	31 December
	2017	2016
	N'000	N'000
Rooms	707,145	700,588
Staff costs (note 27)	2,131,797	2,132,261
Food and beverage	1,568,431	1,687,947
Natural gas and fuel costs	35,217,507	20,447,826
Direct materials	-	14,538
Other direct expenses	750,625	840,481
Repairs and maintenance	938,121	1,137,886
Depreciation	2,296,884	2,079,059
Insurance	231,387	186,780
Other operating costs	18,755	31,446
	43,860,652	29,258,812

24. Administrative and general expenses

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Staff costs (note 27)	1,989,328	1,774,600	236,930	231,219
Depreciation	1,149,681	1,072,273	9,835	13,804
Amortisation (note 7)	20,203	24,673	284	283
Auditors' remuneration	115,600	117,350	35,000	40,250
Management and incentive fees	883,133	935,456	-	-
Professional fees	646,925	688,828	507,692	525,475
Director's remuneration (note 27)	470,632	536,551	302,421	216,522
Rent and rates	88,179	71,629	30,000	30,000
Loss on asset disposal	-	-	1,964	307
Repairs and maintenance	614,142	611,815	7,122	3,871
Advertising	112,913	1,033	6,737	973
Group service benefits	266,128	297,095	-	-
Insurance	296,401	179,061	2,373	9,399
Electricity and diesel cost	1,224,419	1,129,360	14,982	9,907
Travel and accommodation	446,762	186,188	82,161	46,252
Licenses and fees	138,168	58,499	39,576	58,474
Business development	20,123	29,000	50	-
Bank charges	425,676	288,881	11,014	3,578
Public relations	184,685	8,104	4,517	7,250
Security services	98,153	94,518	7,515	3,431
Subscriptions and fees	11,275	25,966	4,129	5,014
Provision of fixed income investment	-	340,368	-	340,368
Impairment of intercompany balance	-	-	834,840	690,634
Provision for bad debts	585,028	285,263	-	-
Donations	800	984	700	-
Corporate social responsibility cost	251,352	300	-	300
Other operating expenses	1,712,243	1,619,006	216,757	93,832
	11,751,949	10,376,801	2,356,599	2,331,143

Other operating expenses include costs incurred on security services, subscription and fees, public relations and lease rentals.

In 2017, PwC carried out non audit services totalling N2 million (2016: N2 million) for Transcorp group. These non audit services were carried out with the consent of the audit engagement partners and these services pose no threat to PwC's Independence and objectivity. The amount is included in professional fees.

25. Other income

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Dividend income on equity securities	325,709	289,008	325,709	289,008
Management fees from subsidiaries	-	-	978,380	700,000
Profit on disposal of equity investment	5,242	48,800	5,242	48,800
Profit on fixed asset disposal	16,943	3,293	-	-
Recovery of investment in NITEL	-	8,338	-	8,338
Other income	342,802	126,213	25,437	12,273
	<u>690,696</u>	<u>475,652</u>	<u>1,334,768</u>	<u>1,058,419</u>

26. Other gains - net

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Included in profit or loss				
Fair value gain on investment properties	309,596	171,535	-	-
Foreign exchange gain	359,347	279,826	460	557
	<u>668,943</u>	<u>451,361</u>	<u>460</u>	<u>557</u>
Included in other comprehensive income				
Fair value gain on equity securities	2,798,973	547,479	2,798,973	547,479

A significant portion (99%) of the Group's equity portfolio is its investment in United Bank of Africa Plc (UBA) shares. The market price of the equity security increased by 129% from N4.5 per share in December 2016 to N10.30 per share in December 2017. The fair value of all equity securities is based on their current bid prices in an active market.

The changes in the market price of the UBA share resulted in a fair value gain of N2.79 billion (2016 fair value gain: N547.48 million). Measures put in place by management to mitigate against its price risk has been disclosed in note 3.1 (ii).

27. Particulars of directors and staff

a) The average number of persons, (excluding directors), employed by the Group and Company during the year was as follows:

	Group		Company	
	31 December 2017 Number	31 December 2016 Number	31 December 2017 Number	31 December 2016 Number
Managerial	96	63	8	10
Senior staff	342	244	6	6
Others	1,087	1,719	7	5
	<u>1,525</u>	<u>2,026</u>	<u>21</u>	<u>21</u>

b) The table below shows the number of employees (excluding directors), who earned over N240,000 as emoluments in the year and were within the bands stated.

	Group		Company	
	31 December 2017 Number	31 December 2016 Number	31 December 2017 Number	31 December 2016 Number
N240,001 - N500,000	668	894	-	-
N500,001 - N1,000,000	458	671	3	3
N1,000,001 - N2,000,000	110	188	0	3
N2,000,001 - N4,000,000	187	193	6	3
Above N4,000,000	102	80	12	12
	1,525	2,026	21	21

c) Staff costs for the above persons (excluding Directors):

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Salaries and wages	3,971,555	3,698,025	224,020	217,422
Defined contribution cost	149,570	208,836	12,910	13,797
	4,121,125	3,906,861	236,930	231,219

d) Analysis of staff costs:

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000
Cost of sales	2,131,797	2,132,261	-	-
Administrative and general expenses	1,989,328	1,774,600	236,930	231,219
	4,121,125	3,906,861	236,930	231,219

e) Emoluments of directors

	Group		Company	
	31 December 2017 N'000	31 December 2016 N'000	31 December 2017 N'000	31 December 2016 N'000

The remuneration paid to the Directors of the Company was:

Salaries	377,689	232,472	296,355	100,210
Fees	13,860	137,370	4,950	8,800
Defined contribution	3,667	22,723	-	3,976
Benefits in kind	75,417	143,986	1,117	103,536
	470,632	536,551	302,421	216,522
Amount paid to the highest paid director	44,061	100,210	44,061	100,210
Chairman's emoluments				
Fees	800	1,400	800	1,400
Benefit in kind	36,138	40,738	36,138	40,738
	36,938	42,138	36,938	42,138

The number of directors of the Group (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the Company fell within the following ranges:

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	Number	Number	Number	Number
Less than N10,000,000	10	6	1	-
Over N10,000,000	14	19	5	8
	24	25	6	8

28. Finance costs and income

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Finance costs:				
Interest expense on loans	9,670,480	8,303,471	3,016,285	3,131,737
Finance income:				
Interest on loan	485,128	277,688	1,470,270	1,426,351
Interest on bank deposits	13,131	-	13,131	-
Interest to unwind discounted receivable	-	85,328	-	-
	498,259	363,016	1,483,401	1,426,351
Net finance costs	9,172,221	7,940,455	1,532,884	1,705,386

29. Net foreign exchange gains

The exchange differences charged/credited to the income statement are included as follows:

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Foreign exchange loss on borrowings	4,554,229	18,703,912	-	-

The movement in foreign exchange differences is as result of the change in the value of the Nigerian Naira against the US Dollars.

30. Earnings per share

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Profit/(loss) attributable to shareholders	4,754,765	(931,141)	1,869,204	(849,093)
Weighted average number of ordinary shares in issue	40,647,991	40,647,991	40,647,991	40,647,991
Basic & diluted earnings/(loss) per share (Kobo)	11.70	(2.29)	4.60	(2.09)

31. Share capital

a) Authorised:

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
45,000,000,000 ordinary shares of 50kobo each	22,500,000	22,500,000	22,500,000	22,500,000

Allotted, called up and fully paid:

	Group and Company		
	Number of shares (thousands)	Ordinary shares N'000	Total N'000
At 1 January 2017	40,647,991	20,323,996	20,323,996
Bonus issue	-	-	-
At 31 December 2017	40,647,991	20,323,996	20,323,996

b) Share premium

	Group and Company	
	2017 N'000	2016 N'000
At 1 January	6,249,871	7,213,368
Bonus issue	-	(963,497)
At 31 December	6,249,871	6,249,871

In prior year, the directors approved bonus shares of 1 ordinary share for every 20 shares held by shareholders whose names appeared in the register of members.

c) Treasury shares

Treasury shares represent the Company's shares held by the Transcorp Staff Share Ownership Trust Company Limited (a subsidiary) as at 31 December 2017. All treasury shares were disposed during the year. 2017: Nil (2016: N345.82 million).

32. Non controlling interest

	Transcorp Hotels Plc (THP)	Transcorp Power Limited (TPL)	Transcorp Hotels Ikoyi Limited	Group
	N'000	N'000	N'000	N'000
	At 1 January 2017	26,534,250	6,492,907	840
THP profit for the year	434,563	-	-	434,563
TPL profit for the year	-	5,417,948	-	5,417,948
NCI share of dividend declared	(156,539)	(4,329,799)	-	(4,486,338)
At 31 December 2017	26,812,274	7,581,056	840	34,394,170

33. Cash generated from operating activities

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Profit /(loss) before tax	12,305,547	(5,928,348)	2,567,737	(439,925)
Adjustment for:				
Depreciation of PP&E (note 6)	3,446,565	3,151,332	9,835	13,804
Write off of PP&E (note 6)	20,399	-	-	-
Profit / (loss) on disposal of PP&E	(16,943)	-	1,964	307
Amortization of intangible assets	20,203	24,673	284	283
Loss on disposal of treasury shares	69,318	-	-	-
Impairment of fixed income investment	-	340,368	-	340,368
Other comprehensive income	(6,530)	25,406	(6,530)	25,406
Finance cost (Note 28)	9,670,480	8,303,471	3,016,285	3,131,737
Finance income (Note 28)	(498,259)	(363,016)	(1,483,401)	(1,426,351)
Foreign exchange loss	4,554,229	18,703,912	460	-
Changes in working capital:				
Increase in trade, other receivables and prepayment	(29,704,366)	(23,210,167)	(2,093,905)	(1,230,371)
Decrease/(increase) in inventories	75,936	(125,089)	-	-
Increase/(decrease) in trade and other payables	43,336,600	13,898,786	(2,488,182)	(2,223,461)
Net cash generated from/(used in) operations	43,273,178	14,821,328	(475,453)	(1,808,203)

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	Group		Company	
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Net book amount	25,745	10,456	2,497	809
Profit / (loss) on disposal of PP&E	16,943	-	(1,964)	(307)
Proceeds from sale of PP&E	42,688	10,456	533	502

34. Capital commitments

The Group has committed capital expenditure up to N13.4 billion (2016: N15.28 billion).

35. Contingent liabilities

Apart from the case mentioned in note 8 & 21, there were no other material litigations in the ordinary course of business as at the balance sheet date.

Transcorp Power Limited (TPL) has made an application for the renewal of its pioneer status to the Nigerian Investment Promotion Commission (NICP). The application is reasonably advanced and should be concluded before the end of the first quarter of 2018. The Director have therefore decided not to recognised any potential deferred tax arising from tax savings/charge pending the approval of this application.

The Directors are of the opinion that all known liabilities which are relevant in assessing the state of affairs of the Company have been taken into consideration in the preparation of these financial statements.

36. Subsequent events

No subsequent event after the balance sheet date came to the notice of the directors, which would materially affect the position shown by the financial statements on the balance sheet date.

37. Related parties

a) Related entities

- **Tony Elumelu Foundation**

Tony Elumelu Foundation is a company controlled by the group's key management personnel. The Foundation carries out various Corporate Social Responsibility (CSR) activities on behalf of the Group.

- **Tenoil Petroleum and Energy Services**

Tenoil Petroleum and Energy Services is a company controlled by the group's key management personnel. There is an agreement between Tenoil and Transcorp Plc for the provision of technical services in respect of Transcorp OPL 281 Limited.

- **Trans Niger Oil & Gas Limited**

Trans Niger Oil & Gas Limited is a company controlled by the group's key management personnel.

- **Other subsidiaries**

The Company entered into a Technical and Management services agreement with Transcorp Hotels Plc and Transcorp Power Limited. As stipulated in the signed agreement, the Company earns management fee of higher of N350 million or 5% of profit before tax of Transcorp Hotels Plc and Transcorp Power Limited.

Other intercompany balances relates to payment made or received on behalf of the company's subsidiaries.

b) Key management personnel

Name	Designation
Mr. Tony Elumelu, CON	Chairman
Mr. Adim Jibunoh	President/CEO
Mr. Emmanuel Nnorom	Director
Olorogun O'tega Emerhor, OON	Director
Dr. Stanley Inye Lawson	Director
Mr. Kayode Fasola	Director
Alhaji Abdulquadir Jeli Bello	Director

c) Subsidiaries

Details of the subsidiaries have been disclosed in note 9.

d) Related party transactions

Group			
Name of Party	Outstanding balance at 1 January 2017	Net value of Transactions in 2017	Outstanding balance at 31 December 2017
	N'000	N'000	N'000
Receivable			
<i>Controlled by key management personnel:</i>			
Trans Niger Oil & Gas Limited	567,586	2,692	570,278
Tony Elumelu Foundation	5,903	(5,903)	-
	573,489		570,278
Payable			
<i>Controlled by key management personnel:</i>			
Tenoil Petroleum and Energy Services Limited	7,683	178,706	186,389
	7,683		186,389
Company			
Name of Party	Outstanding balance at 1 January 2017	Net value of Transactions in 2017	Outstanding balance at 31 December 2017
	N'000	N'000	N'000
Receivable			
<i>Subsidiaries:</i>			
Transcorp Power Limited	8,854,360	3,370,059	12,224,419
Teragro Commodities Limited	384,940	(384,940)	-
Transcorp Energy Limited	-	155,114	155,114
Transcorp Staff Share Ownership Trust Company Limited	626,837	(626,837)	-
Transcorp OPL 281 Limited	4,708,151	681,483	5,389,634
Transcorp Hotels Plc	-	49,029	49,029
Transcorp Hotels Calabar Limited	16,497	601	17,098
<i>Controlled by key management personnel:</i>			
Trans Niger Oil & Gas Limited	567,086	-	567,086
	15,157,871		18,402,380

Company (Contd)

Name of Party	Outstanding balance at 1 January 2017 N'000	Net value of Transactions in 2017 N'000	Outstanding balance at 31 December 2017 N'000
Payable			
<i>Subsidiaries:</i>			
Transcorp Refining Company Limited (Inactive)	1,000	-	1,000
Transcorp Telecomms Limited (Inactive)	10,000	-	10,000
Teragro Commodities Limited	9,500	-	9,500
Transcorp Energy Limited	9,900	-	9,900
Transcorp Trading and Logistics Limited (Inactive)	10,000	-	10,000
Transcorp Properties Limited	10,000	-	10,000
Transcorp Hotels Plc	5,395,670	(2,692,606)	2,703,064
Transcorp OPL 281 Limited	500	-	500
<i>Controlled by key management personnel:</i>			
Tenoil Petroleum and Energy Services Limited	7,683	178,706	186,389
	<u>5,454,253</u>		<u>2,940,353</u>

During the year, the Company made a provision for the amount receivable from Teragro Commodities Limited and Transcorp Staff Share Ownership Trust Company Limited. Teragro Commodities Limited ceased operation in 2016 and the outstanding receivable balance is considered doubtful of recovery. During the year, all treasury shares in Transcorp Staff Share Ownership Trust Company Limited were disposed off and the outstanding receivable balance is considered doubtful of recovery.

The Company has recognised a provision of N1.5 billion in the financial statements based on its assessment of recoverability of the outstanding amounts from these subsidiaries.

The other amounts outstanding are unsecured and will be settled in cash.

There are no future commitments or obligations from or to any related parties.

Consolidated and Separate Statement of Value Added

for the year ended 31 December 2017

	Group				Company			
	2017 N'000	%	2016 N'000	%	2017 N'000	%	2016 N'000	%
Revenue	80,284,959		59,424,619		5,121,992		2,537,628	
Other income	1,857,898		1,290,029		2,818,629		2,485,327	
	<u>82,142,857</u>		<u>60,714,648</u>		<u>7,940,621</u>		<u>5,022,955</u>	
- Local	49,800,167		50,733,853		(689,139)		1,538,641	
- Foreign	-		-		-		-	
	<u>49,800,167</u>		<u>50,733,853</u>		<u>(689,139)</u>		<u>1,538,641</u>	
Value added	<u>32,342,690</u>		<u>9,980,795</u>		<u>8,629,760</u>		<u>3,484,314</u>	
Distribution								
Employees								
Salaries and benefits	4,121,125	13%	3,906,861	39%	236,930	3%	231,219	7%
Provider of funds								
Interest	9,670,480	30%	8,303,471	83%	3,016,285	35%	3,131,737	90%
Government								
Taxation	1,698,271	5%	(4,801,350)	(48%)	698,533	8%	409,168	12%
The Future								
Depreciation	3,446,565	11%	3,151,332	32%	9,835	0%	13,804	0%
Retained profit	13,406,249	41%	(579,519)	(6%)	4,668,177	64%	(301,614)	(9%)
	<u>32,342,690</u>	100%	<u>9,980,795</u>	100%	<u>8,629,760</u>	100%	<u>3,484,314</u>	100%

Value added represents the additional wealth which the group has been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creation of more wealth.

Note: Statement of value added is not a required disclosure under IFRS.

Consolidated and Separate Five Year Financial Summary

for the year ended 31 December 2017

The Group

	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000
Balance sheet					
Non-current asset	191,432,813	170,942,327	152,124,317	134,742,937	122,211,610
Current asset	94,089,491	61,218,404	50,759,632	36,012,425	27,252,803
Current liabilities	(104,655,509)	(63,199,768)	(40,621,781)	(32,268,177)	(15,737,084)
Non-current liabilities	(85,158,998)	(82,512,366)	(74,756,937)	(48,732,334)	(47,050,822)
Net assets	95,707,796	86,448,597	87,505,231	89,754,851	86,676,507
Capital and reserves					
Share capital	20,323,996	20,323,996	19,360,499	19,360,499	19,360,499
Share premium	6,249,871	6,249,871	7,213,368	7,213,368	7,213,368
Treasury shares	-	(345,819)	(345,819)	(137,790)	(25,784)
Revenue reserves	31,961,979	27,207,214	28,138,355	30,070,219	31,678,187
Other reserves	2,777,781	(14,662)	(587,547)	-	-
Non-controlling interest	34,394,170	33,027,997	33,726,375	33,248,555	28,450,237
	95,707,797	86,448,597	87,505,231	89,754,851	86,676,507
Comprehensive income					
Revenue	80,284,959	59,424,619	40,753,506	41,338,136	18,825,278
Profit/(loss) before taxation	12,305,547	(5,928,348)	3,319,529	7,731,598	9,032,151
Taxation	(1,698,271)	4,801,350	(1,287,972)	(4,427,338)	(2,074,249)
Profit/(loss) after taxation	10,607,276	(1,126,998)	2,031,557	3,304,260	6,957,902
Other comprehensive income/(loss) for the year	2,798,973	547,479	(587,547)	-	-
Total comprehensive income/(loss) for the year	13,406,249	(579,519)	1,444,010	3,304,260	6,957,902
Company					
Balance sheet					
Non-current asset	39,301,996	36,541,782	36,112,824	34,277,534	36,266,862
Current asset	23,800,774	21,371,921	20,506,655	19,964,436	12,812,629
Current liabilities	(16,025,334)	(18,736,921)	(15,352,617)	(11,311,771)	(6,961,604)
Non-current liabilities	(11,470,290)	(8,231,283)	(10,045,155)	(9,469,009)	(9,198,952)
Net assets	35,607,146	30,945,499	31,221,707	33,461,190	32,918,935
Capital and reserves					
Share capital	20,323,996	20,323,996	19,360,499	19,360,499	19,360,499
Share premium	6,249,871	6,249,871	7,213,368	7,213,368	7,213,368
Revenue reserves	6,143,818	4,274,614	5,123,707	6,887,323	6,345,068
Other reserves	2,889,461	97,018	(475,867)	-	-
	35,607,146	30,945,499	31,221,707	33,461,190	32,918,935
Comprehensive income					
Revenue	5,121,992	2,537,628	3,241,943	6,334,884	2,142,000
Profit/(loss) before taxation	2,567,737	(439,925)	1,037,146	3,287,079	3,186,963
Taxation	(698,533)	(409,168)	(477,479)	(808,774)	(365,951)
Profit/(loss) after taxation	1,869,204	(849,093)	559,667	2,478,305	2,821,012
Other comprehensive income/(loss)	2,798,973	547,479	(475,867)	-	-
Total comprehensive income/(loss) for the year	4,668,177	(301,614)	83,800	2,478,305	2,821,012

Note: Five year financial summary is not a required disclosure under IFRS

CHESTER BAR

05

Shareholders
Information

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting ("AGM") of Transnational Corporation of Nigeria Plc ("the Company") will hold at the Ballroom, Oriental Hotel, 3 Lekki-Epe Expressway, Victoria Island, Lagos State on **Monday, April 30, 2018**, at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the members, the Audited Financial Statements of the Company for the year ended 31 December 2017 and the Reports of the Directors, Auditors and Audit Committee thereon
2. To declare a Dividend
3. To approve the appointment of Directors
4. To re-elect retiring Directors
5. To appoint Ernst & Young as Auditors to the Company
6. To authorise Directors to fix the remuneration of the Auditors
7. To elect/re-elect members of the Statutory Audit Committee

SPECIAL BUSINESS

8. To fix the remuneration of Directors

PROXY

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment to be valid, a completed and duly stamped proxy form must be deposited at the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos not less than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

Dated this 29th day of March 2018

BY ORDER OF THE BOARD



Mrs. Helen Iwuchukwu
Group Company Secretary
FRC No. FRC/2015/NBA/00000012716
Transnational Corporation of Nigeria Plc
38, Glover Road, Ikoyi, Lagos

NOTES

1. **PROXY**

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. For the appointment of the proxy to be valid, a proxy need not be a member of the Company. A proxy form must be completed and deposited at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

2. **DIVIDEND**

If the dividend recommended by the Directors is approved by the shareholders at the Annual General Meeting, dividend will be paid by Wednesday, May 2, 2018 to the shareholders whose names appear in the Company's Register of Members at the close of business on Tuesday, April 17, 2018.

3. **CLOSURE OF REGISTER**

The Register of Members of the Company will be closed from Wednesday, April 18, 2018 to Tuesday, April 24, 2018 for the purpose of updating the Register of Members.

4. **AUDIT COMMITTEE**

In accordance with Section 359(5) of the Companies and Allied Matters Act, Cap C20, LFN, 2004, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. The Securities and Exchange Commission's Code of Corporate Governance for Public Companies provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements.

5. **E-DIVIDEND**

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of e-dividend. Detachable application forms for e-dividend are attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

6. **UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as unclaimed. Any shareholder affected by this notice is advised to contact the Company's Registrars, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, to lay claim.

7. **BIOGRAPHICAL DETAILS OF DIRECTORS FOR RE-ELECTION**

The biographical details of the Directors standing for re-election are provided in the Annual Report for 2017 and the Company's website at www.transcorpigeria.com.

8. **E- ANNUAL REPORT PUBLISHED ON THE WEBSITE**

In order to improve delivery of our Annual Report, we have inserted a detachable form in the Annual Report and hereby request shareholders to complete the form by providing their details and thereafter return same to the Registrars for further processing.

In addition, an electronic version of the Annual Report for 2017 is available on the Company's website at www.transcorpigeria.com.

9. **RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS**

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company on or before Monday, April 23, 2018.

Proxy Form

<p>TWELFTH ANNUAL GENERAL MEETING TO BE HELD ON MONDAY, APRIL 30, 2018 AT THE BALLROOM, ORIENTAL HOTEL, 3 LEKKI-EPE EXPRESSWAY, VICTORIA ISLAND, LAGOS STATE AT 10.00 A.M.</p> <p>I/WE _____ being a member/members of TRANSNATIONAL CORPORATION OF NIGERIA PLC, hereby appoint: _____ or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Twelfth Annual General Meeting of the Company to be held on Monday, April 30th, 2018 at the Ballroom, Oriental Hotel, 3 Lekki-Epe Expressway, Victoria Island, Lagos State at 10.00 a.m and at any adjournment thereof.</p> <p>A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.</p> <p>Please sign this proxy form and forward it, so as to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the Proxy Form must be under its common seal or under the hand of a duly authorized officer or attorney.</p> <p>It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties.</p>	RESOLUTIONS	FOR	AGAINST	ABSTAIN
	1. To lay before the members, the Audited Financial Statements for the year ended December 31 2017, together with the Report of the Directors, Auditors and Audit Committee thereon.			
	2. To declare a dividend of N0.02 kobo per share			
	3. To approve the appointment of Mr. Adim Jibunoh as a Director of the company.			
	4. To re-elect a retiring Director, Dr. Stanley Inye Lawson.			
	5. To re-elect a retiring Director, Mr. Kayode Fasola.			
	6. To appoint Messrs. Ernst & Young as Auditors to the Company.			
	7. To authorize Directors to fix the remuneration of the Auditors.			
	8. To elect/re-elect members of the Audit Committee.			
	9. To fix the remuneration of Directors.			
<p>Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.</p>				

TRANSNATIONAL CORPORATION OF NIGERIA PLC
Twelfth Annual General Meeting

ADMISSION CARD

Please admit the Shareholder named on this Card or his duly appointed proxy to the Twelfth Annual General Meeting of the Company to be held on Monday, April 30th, 2018 at the Ballroom, Oriental Hotel, 3 Lekki-Epe Expressway, Victoria Island, Lagos State at 10.00 a.m.

This admission card must be produced by the Shareholder in order to gain entrance into the Annual General Meeting.

Name of Shareholder

Address of Shareholder

Number of Shares Held

Signature

SHAREHOLDERS E-SERVICE APPLICATION FORM

Dear esteemed shareholder,

The E-shareholder registration form has been attached for your use. Kindly fill in your details and return to the Registrar. This will enable us to have your current information in our database.



e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. *E-MAIL:

5. ALTERNATE E-MAIL:

6. *MOBILE NO.: 7. SEX: MALE FEMALE

8. ALTERNATE MOBILE NO.:

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.: C

11. NAME OF STOCKBROKER:

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

Signature: _____

Signature: _____
for joint/corporate accounts only

DISCLAIMER

"In no event shall Africa Prudential Plc be liable for any damages, losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advise us of the possibility of such damages, losses or expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholdings

CLIENTELE	A/C No
1. AFRICA PRUDENTIAL PLC	<input type="checkbox"/>
2. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. ALUMACO PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. A.R.M LIFE PLC	<input type="checkbox"/>
7. ADAMAWA STATE GOVERNMENT BOND	<input type="checkbox"/>
8. BECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPP AND D'ALBERTO PLC	<input type="checkbox"/>
13. CEMENT COY. OF NORTHERN NIG. PLC	<input type="checkbox"/>
14. CSCS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CWG PLC	<input type="checkbox"/>
17. CORDROS MONEY MARKET FUND	<input type="checkbox"/>
18. EBONYI STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. INFINITY TRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
22. JAIZ BANK PLC	<input type="checkbox"/>
23. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
24. LAGOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
25. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
26. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)	<input type="checkbox"/>
27. NEXANS KABLEMETAL NIG. PLC	<input type="checkbox"/>
28. OMOLUABI MORTGAGE BANK PLC	<input type="checkbox"/>
29. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
30. P.S MANDRIDES PLC	<input type="checkbox"/>
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	<input type="checkbox"/>
32. PREMIER BREWERIES PLC	<input type="checkbox"/>
33. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
34. ROADS NIGERIA PLC	<input type="checkbox"/>
35. SCOA NIGERIA PLC	<input type="checkbox"/>
36. TRANSCORP HOTELS PLC	<input type="checkbox"/>
37. TRANSCORP PLC	<input type="checkbox"/>
38. TOWER BOND	<input type="checkbox"/>
39. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
40. UACN PLC	<input type="checkbox"/>
41. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
42. UNITED CAPITAL PLC	<input type="checkbox"/>
43. UNITED CAPITAL BALANCED FUND	<input type="checkbox"/>
44. UNITED CAPITAL BOND FUND	<input type="checkbox"/>
45. UNITED CAPITAL EQUITY FUND	<input type="checkbox"/>
46. UNITED CAPITAL MONEY MARKET FUND	<input type="checkbox"/>
47. UNIC DIVERSIFIED HOLDINGS PLC	<input type="checkbox"/>
48. UNIC INSURANCE PLC	<input type="checkbox"/>
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
50. UTC NIGERIA PLC	<input type="checkbox"/>
51. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>

OTHERS: _____

Affix
Current
Passport

Write your name at the back of
your passport photograph

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION

Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar

Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me/us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date:

SHAREHOLDER ACCOUNT INFORMATION

Surname/Company's Name First Name Other Name

Address

City State Country

Previous Address (if any)

Clearing House Number (CHN) (if any) Name of Stockbroking Firm

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

Signature: _____ Signature: _____

Joint/Company's Signatories

DISCLAIMER
"In no event shall Africa Prudential Plc be liable for any damages, losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advise us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholdings

CLIENTELE	A/C No
1. AFRICA PRUDENTIAL PLC	<input type="checkbox"/>
2. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. ALUMACO PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. A.R.M LIFE PLC	<input type="checkbox"/>
7. ADAMAWA STATE GOVERNMENT BOND	<input type="checkbox"/>
8. BECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPP AND D'ALBERTO PLC	<input type="checkbox"/>
13. CEMENT COY. OF NORTHERN NIG. PLC	<input type="checkbox"/>
14. CSCS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CWG PLC	<input type="checkbox"/>
17. CORDROS MONEY MARKET FUND	<input type="checkbox"/>
18. EBONYI STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. INFINITY TRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
22. JAIZ BANK PLC	<input type="checkbox"/>
23. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
24. LAGOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
25. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
26. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)	<input type="checkbox"/>
27. NEXANS KABLEMETAL NIG. PLC	<input type="checkbox"/>
28. OMOLUABI MORTGAGE BANK PLC	<input type="checkbox"/>
29. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
30. P.S MANDRIDES PLC	<input type="checkbox"/>
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	<input type="checkbox"/>
32. PREMIER BREWERIES PLC	<input type="checkbox"/>
33. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
34. ROADS NIGERIA PLC	<input type="checkbox"/>
35. SCOA NIGERIA PLC	<input type="checkbox"/>
36. TRANSCORP HOTELS PLC	<input type="checkbox"/>
37. TRANSCORP PLC	<input type="checkbox"/>
38. TOWER BOND	<input type="checkbox"/>
39. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
40. UACN PLC	<input type="checkbox"/>
41. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
42. UNITED CAPITAL PLC	<input type="checkbox"/>
43. UNITED CAPITAL BALANCED FUND	<input type="checkbox"/>
44. UNITED CAPITAL BOND FUND	<input type="checkbox"/>
45. UNITED CAPITAL EQUITY FUND	<input type="checkbox"/>
46. UNITED CAPITAL MONEY MARKET FUND	<input type="checkbox"/>
47. UNIC DIVERSIFIED HOLDINGS PLC	<input type="checkbox"/>
48. UNIC INSURANCE PLC	<input type="checkbox"/>
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
50. UTC NIGERIA PLC	<input type="checkbox"/>
51. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>

OTHERS: _____

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME

2. *FIRST NAME 3. OTHER NAME

4. *GENDER M F 5. E-MAIL

6. ALTERNATE E-MAIL 7. *DATE OF BIRTH

8. *MOBILE (1) (2) DD MM YY YY

9. *ADDRESS

10. OLD ADDRESS (if any)

11. *NATIONALITY 12. *OCCUPATION

13. *NEXT OF KIN NAME MOBILE

14. *MOTHER'S MAIDEN NAME

15. BANK NAME 16. A/C NO.

17. A/C NAME 18. A/C OPENING DATE DD MM YY YY

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

20. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

"I hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details."

SIGNATURE _____ SIGNATURE _____
for joint/corporate accounts only

DISCLAIMER

"In no event shall Africa Prudential Plc be liable for any damages, losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advise us of the possibility of such damages, losses or expenses, whether express or implied in respect of such information."

Please tick against the company(ies) where you have shareholdings

CLIENTELE	A/C No
1. AFRICA PRUDENTIAL PLC	<input type="checkbox"/>
2. ABBEY MORTGAGE BANK PLC	<input type="checkbox"/>
3. AFRILAND PROPERTIES PLC	<input type="checkbox"/>
4. ALUMACO PLC	<input type="checkbox"/>
5. A & G INSURANCE PLC	<input type="checkbox"/>
6. A.R.M LIFE PLC	<input type="checkbox"/>
7. ADAMAWA STATE GOVERNMENT BOND	<input type="checkbox"/>
8. BECO PETROLEUM PRODUCTS PLC	<input type="checkbox"/>
9. BUA GROUP	<input type="checkbox"/>
10. BENUE STATE GOVERNMENT BOND	<input type="checkbox"/>
11. CAP PLC	<input type="checkbox"/>
12. CAPP AND D'ALBERTO PLC	<input type="checkbox"/>
13. CEMENT COY. OF NORTHERN NIG. PLC	<input type="checkbox"/>
14. CSCS PLC	<input type="checkbox"/>
15. CHAMPION BREWERIES PLC	<input type="checkbox"/>
16. CWG PLC	<input type="checkbox"/>
17. CORDROS MONEY MARKET FUND	<input type="checkbox"/>
18. EBONYI STATE GOVERNMENT BOND	<input type="checkbox"/>
19. GOLDEN CAPITAL PLC	<input type="checkbox"/>
20. INFINITY TRUST MORTGAGE BANK PLC	<input type="checkbox"/>
21. INVESTMENT & ALLIED ASSURANCE PLC	<input type="checkbox"/>
22. JAIZ BANK PLC	<input type="checkbox"/>
23. KADUNA STATE GOVERNMENT BOND	<input type="checkbox"/>
24. LAGOS BUILDING INVESTMENT CO. PLC	<input type="checkbox"/>
25. MED-VIEW AIRLINE PLC	<input type="checkbox"/>
26. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)	<input type="checkbox"/>
27. NEXANS KABLEMETAL NIG. PLC	<input type="checkbox"/>
28. OMOLUABI MORTGAGE BANK PLC	<input type="checkbox"/>
29. PERSONAL TRUST & SAVINGS LTD	<input type="checkbox"/>
30. P.S MANDRIDES PLC	<input type="checkbox"/>
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	<input type="checkbox"/>
32. PREMIER BREWERIES PLC	<input type="checkbox"/>
33. RESORT SAVINGS & LOANS PLC	<input type="checkbox"/>
34. ROADS NIGERIA PLC	<input type="checkbox"/>
35. SCOA NIGERIA PLC	<input type="checkbox"/>
36. TRANSCORP HOTELS PLC	<input type="checkbox"/>
37. TRANSCORP PLC	<input type="checkbox"/>
38. TOWER BOND	<input type="checkbox"/>
39. THE LA CASERA CORPORATE BOND	<input type="checkbox"/>
40. UACN PLC	<input type="checkbox"/>
41. UNITED BANK FOR AFRICA PLC	<input type="checkbox"/>
42. UNITED CAPITAL PLC	<input type="checkbox"/>
43. UNITED CAPITAL BALANCED FUND	<input type="checkbox"/>
44. UNITED CAPITAL BOND FUND	<input type="checkbox"/>
45. UNITED CAPITAL EQUITY FUND	<input type="checkbox"/>
46. UNITED CAPITAL MONEY MARKET FUND	<input type="checkbox"/>
47. UNIC DIVERSIFIED HOLDINGS PLC	<input type="checkbox"/>
48. UNIC INSURANCE PLC	<input type="checkbox"/>
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	<input type="checkbox"/>
50. UTC NIGERIA PLC	<input type="checkbox"/>
51. WEST AFRICAN GLASS IND PLC	<input type="checkbox"/>

OTHERS: _____

