

2019 ANNUAL REPORT & FINANCIAL STATEMENTS

Improving Lives, Transforming Nigeria.



Improving Lives, Transforming Nigeria.



Transnational Corporation of Nigeria Plc (Transcorp) is a leading diversified conglomerate with strategic investments in the power, hospitality, oil and gas sectors that create long term shareholder value and positive socio-economic impact. Our notable businesses include Transcorp Power, Transcorp Hilton Abuja, Transcorp Hotels Calabar and Transcorp Energy.



TranscorpPLC



TranscorpNigeriaPlc



transcorpnigeria



Transcorp PLC

#TranscorpForNigeria

Table of Contents

1

Overview

Group Overview	03
Our Businesses	04
Results at a Glance	06
Board of Directors	07
Officers and Professional Advisers	08
Profile of Directors	09
CEOs of Subsidiaries	12
Executive Management Team	14

2

Strategy and Business Review

Chairman's Statement	17
CEO's Report	21

3

Governance

Corporate Governance Report	26
Directors' Report	31
Sustainability Report	35
Board Evaluation Report	40
Statement of Directors'	
Responsibilities	42
Report of the Audit Committee	43

4

Financial Statements

Independent Auditor's Report	49
Consolidated and Separate Statement of Profit or Loss and other Comprehensive Income	54
Consolidated and Separate Statement of Financial Position	55
Consolidated and Separate Statement of Changes in Equity	57
Consolidated and Separate Statement of Cash Flows	59
Notes to the Consolidated and Separate Financial Statements	61
Consolidated and Separate Statement of Value Added	117
Consolidated and Separate Five Year Financial Summary	118

5

Shareholders Information

Notice of Annual General Meeting	121
Proxy Form	123



01 Overview

Group 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 positive socio-economic impact. Transcorp currently has business interests in three strategic sectors of the Nigerian economy, namely power, hospitality and oil & gas.

Transcorp's notable businesses include the multiple award winning Transcorp Hilton Abuja, Transcorp Hotels Calabar, Transcorp Power's 972 megawatts gas-fired power plant at Ughelli, Delta State, Oil Prospecting License 281, 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 and Transcorp Energy Limited.

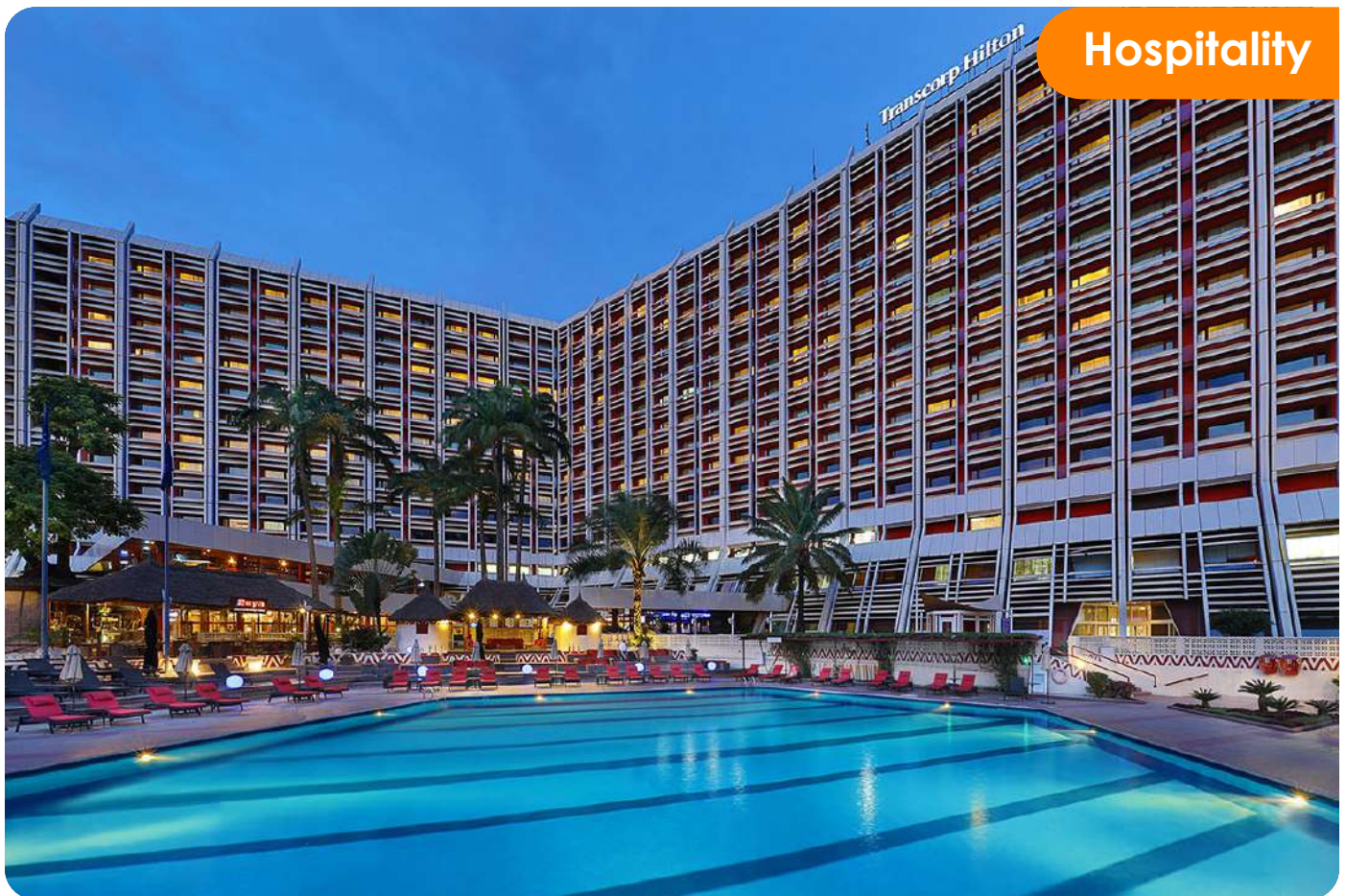
Transcorp is quoted on the Nigerian Stock Exchange and has about 300,000 shareholders.

Our 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.



Our Businesses



Hospitality

Transcorp Hotels Plc

Transcorp Hotels Plc, the hospitality subsidiary of Transnational Corporation of Nigeria Plc and owner of the award-winning Transcorp Hilton Abuja and Transcorp Hotels Calabar. With hospitality experience spanning over 30 years,

Transcorp Hotels Plc aims to be Africa's leading hospitality brand, starting from Nigeria but building a strong footprint in cities across Africa. Transcorp Hotels Plc's brands are individually distinctive and collectively powerful. Our growing portfolio

of award winning and innovative properties with several local and international awards are paving the way for superior guest experience and excellent service delivery across our key locations.



Power

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 (Gencos) 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. The 5-year period given to the Gencos to meet their respective minimum generation targets lapsed in 2018. Transcorp Power surpassed its generation target of 670MW well before the 5-year timeline. The Bureau

of Public Enterprise (BPE) carried out a capacity test which confirmed the feat (680MW) achieved by Transcorp Power, thereby qualifying Transcorp Power to be de-listed from companies that will continue to be subjected to post privatisation monitoring by BPE. The delisting process is on-going.



Oil & Gas

Transcorp OPL 281 Nigeria Limited

The Oil and Gas activities of Transcorp are carried out by its fully owned subsidiaries, Transcorp Energy Limited and Transcorp OPL 281 Nigeria Limited.

The Company continued its push towards developing OPL 281 oil block and fulfilling 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 two years. The extension has given the Company

additional time to complete its work commitments under that phase, and ultimately deliver on its 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.

Result at a Glance

Group	31-Dec-19	31-Dec-18	Inc/ (Dec)
	N'mn	N'mn	%
Gross Earnings	76,346	104,163	(27)
Cost of Sales	40,988	55,910	(27)
Gross Profit	35,358	48,252	(27)
Administrative Expenses	14,132	13,674	(1)
Profit /(Loss) Before Tax	7,898	22,402	(65)
Profit /(Loss) After Tax	3,705	20,627	(82)
Non-Current Assets	205,465	204,543	-
Current Assets	107,667	92,596	16
Total Assets	313,133	297,140	5
Share Capital	20,324	20,324	-
Shareholders' Fund	108,738	104,540	4
Basic Earnings Per Share	3.81	22.9	(83)

Company	31-Dec-19	31-Dec-18	Inc/ (Dec)
	N'mn	N'mn	%
Gross Earnings	3,174	8,900	(64)
Cost of Sales	-	-	-
Gross Profit	3,174	8,900	(64)
Administrative Expenses	1,698	2,111	(59)
Profit /(Loss) Before Tax	1,241	5,706	(78)
Profit /(Loss) After Tax	735	4,611	(84)
Non-Current Assets	44,795	38,331	17
Current Assets	15,436	27,295	(43)
Total Assets	60,231	65,626	(8)
Share Capital	20,324	20,324	0
Shareholders' Fund	36,258	37,008	(2)
Basic Earnings Per Share	1.81	11.34	(84)

Board of Directors



Tony O. Elumelu, CON
 Valentine Ozigbo
 Emmanuel N. Nnorom
 Stanley Lawson
 Obi Ibekwe
 Toyin Sanni

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

Officers and Professional Advisers

Ag. Group Company Secretary
Mr. Chike Anikwe

Registered Office
38, Glover Road,
Ikoyi, Lagos, Nigeria

Auditors
Ernst and Young
10th and 13th Floor,
UBA House,
57, Marina,
Lagos, Nigeria.

Bankers
United Bank for Africa Plc
First Bank of Nigeria Ltd.

Registrars and Transfer Officer
Africa Prudential Plc
220B Ikorodu Road
Palmgrove, Lagos
Tel: 01-4612373-76



Aerial view of the 13th Annual General Meeting of Transcorp in session.

Profile of Directors



Tony O. Elumelu, CON
Chairman
(Appointed 14. 04. 2011)

Tony O. Elumelu is one of Africa's leading investors and philanthropists.

He is the Founder and Chairman of Heirs Holdings, a family owned investment company, committed to improving lives and transforming Africa. Heirs Holdings' portfolio spans the power, oil and gas, financial services, hospitality, real estate and healthcare sectors, operating in twenty-three countries worldwide. Tony is the Chairman of pan-African financial services group, the United Bank for Africa Plc (UBA), the Banker Magazine's African Bank of the year. UBA is present in 20 African countries, Paris, London and New York and is the only African bank with a deposit-taking presence in the United States of America. He also chairs Nigeria's largest quoted conglomerate, Transnational Corporation of Nigeria Plc, whose subsidiaries include Transcorp Power, one of the largest generators of electricity in Nigeria and Transcorp Hotels Plc, Nigeria's foremost hospitality brand.

Tony is the most prominent champion of entrepreneurship in Africa. In 2010, he created

The Tony Elumelu Foundation, the leading philanthropy empowering African entrepreneurs and championing African entrepreneurship. The Foundation's flagship initiative, the TEF Entrepreneurship Programme, is a 10-year, \$100 million commitment to identify, train, mentor and fund 10,000 African entrepreneurs.

The Foundation's mission is inspired by Tony's economic philosophy of Africapitalism, which positions the private sector, and most importantly entrepreneurs, as the catalyst for the social and economic development of the continent.

Tony sits on numerous public and social sector boards, including USAID's Private Capital Group Partners Forum, and is a co-Chair of the Aspen Institute's Global Food Security Working Group. Tony also serves on the international advisory board of the Washington DC based think tank, the Wilson Center, and is a member of the Global Advisory Council of the Harvard Kennedy School's Centre for Public Leadership. He is also a member of the World Economic Forum Community of Chairmen.



Valentine Ozigbo
President/CEO
(Appointed 01. 01. 2019)

Valentine C. Ozigbo is the President/CEO of Transnational Corporation of Nigeria Plc. Prior to this, he was the Managing Director and CEO of Transcorp Hotels Plc, owner of the Transcorp Hilton Abuja and Transcorp Hotels Calabar both in Nigeria. He is a banker and chartered accountant with over 20 years' experience in commercial, retail, investment and international banking.

Valentine is a graduate of Lancaster University, UK, where he bagged a Distinction in M.Sc Finance. He also has an MBA in Banking & Finance and a B.Sc in Accounting both from the University of Nigeria (UNN). He also has a Global CEO Program certificate from the Lagos Business School, Strathmore University Business School and the IESE Business School New York.

He is a fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Taxation of Nigeria, the Institute of Credit Administration and the Institute of Tourism Professionals. He is also a Chevening Scholar and a member of the Institute of Directors Nigeria (IOD).

Prior to joining Transcorp, Valentine spent 17 years in the banking industry and was General Manager and Divisional Head in charge of Global Transaction Banking at Keystone Bank Plc, successor to Bank PHB, Divisional Head of International Banking and Head of Global Strategic Alliances at United Bank for Africa Plc. Valentine has also worked with FSB Int. Bank Plc (now Fidelity Bank Plc), Continental Trust Bank Ltd (now part of UBA) and Diamond Bank Plc.



Emmanuel N. Nnorom
Non-Executive Director
(Appointed 16. 12. 2013)

Emmanuel N. Nnorom is the Group CEO of Heirs Holdings Limited. Prior to joining the Heirs Holdings Group, he served as President/CEO of Transnational Corporation of Nigeria Plc, overseeing the Transcorp businesses, including Transcorp Power, Transcorp Hilton Abuja, Transcorp Hotels, Calabar and Transcorp Energy. Before Transcorp, Emmanuel had held senior positions at Heirs Holdings and had served as an Executive Director at United Bank for Africa (UBA) and Managing Director of UBA Africa, overseeing the Group's African subsidiaries and executing corporate strategy in 18 African countries.

Other senior roles held within UBA included Group COO, followed by his appointment as Group CFO, with responsibility for Finance and Risk.

He is a chartered accountant and brings 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, and a prize winner and Fellow of the Institute of Chartered Accountants of Nigeria. He also serves as Chairman, Transcorp Power Limited and Transcorp Hotels Plc.



Stanley I. Lawson
Non-Executive Director
(Appointed 09. 09. 2011)

Dr. Stanley I. Lawson 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. He also served on the Board of the CBN as a member of the Monetary Policy Committee between 2014 and 2016.

He holds an M.Sc. degree in Petroleum Geology, an MBA degree in Finance both from the University of Ibadan as well as a Ph.D. in Business Administration from the University of Phoenix, Arizona.



Toyin Sanni
Non-Executive Director
(Appointed 30. 10. 2018)

Toyin F. Sanni was Group Chief Executive Officer at United Capital Plc from January 2014 until June 30, 2018 and is now Founder and Chief Executive Officer of Emerging Africa Capital. Prior to these positions, she served as Chief Executive Officer of United Capital Trustees Limited (UBA Trustees Limited) for eight years. She has over 30 years of experience in Investment Banking, Law and Finance. She is the President of the Association of Corporate and Individual Investment Advisers, (CIAA), a Past-President of the Association of Investment Advisers & Portfolio Managers, (IAPM), a Past President of the Association of Corporate Trustees, and an Associate of the Institute of Directors Nigeria, a Fellow of the Chartered Institute of Stockbrokers, (FCS) and of the Institute of Chartered Secretaries & Administrators of Nigeria, (FCIS). She is also a Member of the Chartered Institute of Securities and Investments, UK. In 2017, Toyin won the All African Business Woman of the Year, AABLA Award by CNBC Africa as well as the Pearl Most Outstanding CEO of the Year Award for Nigeria.

She has served on various committees and boards including the National Bond Steering Committee, the West African Capital Markets Integration Technical Committee and as Chairperson of the Capital Market Retreat Committee for 2014-2016. Prior to joining the United Capital Group, she had set up and run successful Trustee, Asset Management and Leasing businesses. She is a frequent speaker at various Seminars and Workshops, including International Investor Conferences. She is an Alumnus of the Lagos Business School Chief Executive Program and has attended various executive education programs at the Harvard Business School, Wharton Business School & IESE Business School, Barcelona.

Toyin is a Lawyer, Chartered Secretary and Stockbroker. She holds a Bachelor of Laws degree, (LL. B) from the University of Ife and+ a Master's degree, (LL. M) (Hons) from the University of Lagos. She has authored three books including "Riding the Eagle – A Guide to Investing in Nigeria".



Obi Ibekwe

Independent
Non-Executive Director
(Appointed 30. 10. 2018)

Obi Ibekwe holds a Bachelor of Arts degree in International Relations from Tufts University, Medford, Massachusetts, U.S.A. and a Law degree from the University of Lagos, Nigeria. She was called to the Nigerian Bar in 1986. She also holds an MBA degree from the prestigious Ross School of Business, University of Michigan, Ann Arbor, U.S.A.

She has over two decades experience in banking, holding key management positions spanning Credit and Marketing, Credit Risk Management, Human Resources and Customer Service. During

her career, she worked in some of the largest banks in the country including, Diamond Bank Plc, Zenith Bank Plc and United Bank for Africa Plc from where she retired as an Executive Director in 2018.

Prior to her banking career, she practiced with the Law firm of Olaniwun Ajayi & Co., specializing in commercial law. She was also at Accenture as a member of the senior management team where she led various comprehensive planning, organizational and resource management improvement projects in the private and public sectors.



Chairman of Transcorp, Tony O. Elumelu CON and a cross-section of some Board members at a recent Board Meeting.



Transcorp Board of Directors with CEO of Transcorp Power Limited, Christopher Ezeafulukwe.

CEOs of Subsidiaries



Owen Omogiafo
MD/CEO Transcorp Hotels Plc
(Incoming President/CEO of Transcorp Plc)

Mrs. Owen Omogiafo is the Managing Director/CEO of Transcorp Hotels Plc where she oversees the Company's strategic objectives at its properties, Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Owen has over two decades of corporate experience in organisational development, human capital management, banking, change management and hospitality. Prior to joining Transcorp Hotels Plc, Mrs. Omogiafo was the Executive Director, Corporate Services at Transnational Corporation of Nigeria Plc (Transcorp) where she drove operational efficiency across the Transcorp Group.

Before joining Transcorp in July 2018, Owen was the Chief Operating Officer at the Tony Elumelu Foundation, where she oversaw the \$100m Programme aimed at identifying, mentoring and funding 10,000 entrepreneurs over 10 years. She has also been the Director of Resources at Heirs Holdings Limited, a family-owned investment company chaired by Tony O. Elumelu, CON. Owen's past experience includes working at the United Bank for Africa Plc as HR Advisor to the GMD/CEO, and at Accenture as an Organisation

and Human Performance Consultant, specializing in Change Management.

She holds a B.Sc. in Sociology & Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics and Political Science and is an alumnus of the Lagos Business School and IESE Business School, Spain. She is also a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, a member of the Institute of Directors (IoD) Nigeria and a member of the Board of Avon Healthcare Limited, where she sits on the Board Finance, Investment & Risk Committee and the Board Audit & Governance Committee.

Owen was in 2019 recognised as one of the Top 100 Female CEOs in Africa by Reset Global People, and as one of Nigeria's Leading Ladies in Corporate Nigeria by Leading Ladies Africa. In 2018, she was recognised by The Guardian as one of Nigeria's 100 most inspirational women and has also been named in the YNaija! Power List for Corporate Nigeria. She was appointed to the Board on 1 January 2019.



Christopher Ezeafulukwe
MD/CEO, Transcorp
Power Ltd

Christopher Ezeafulukwe is the MD/CEO of Transcorp Power Limited. An alumnus of the Lagos Business School and IESE Business School, Barcelona, Spain, he also 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 until recently a

member of the Executive Council of the Association of Power Generation Companies.

Prior to his appointment as MD/CEO of Transcorp Power, Chris was an Executive Director of Transcorp Plc, responsible for Business Development and Legal, with particular focus on deepening Transcorp Plc's power business and developing its oil and gas assets.

Chris has extensive experience in legal and transaction advisory and support services, company secretarial and related practices and business development. Prior to joining Transcorp,

Chris was the Company Secretary of Bank PHB Plc (now Keystone Bank Limited). He also served as the Head Legal Services and Company Secretary of Platinum Bank Plc. Chris started his legal career with the law firm of Paul Usoro & Co. He joined Transcorp in 2012 as the Legal Adviser & Company Secretary

before proceeding to the University of Houston, Texas for a specialized Master's programme in Energy, Environment and Natural Resources. Chris returned to Transcorp as the Group General Counsel and later took on additional responsibility as the Head, Business Development.



Dupe Olusola

Incoming MD/CEO,
Transcorp Hotels Plc.

Dupe Olusola is the incoming Managing Director/CEO of Transcorp Hotels Plc, effective 25th March 2020. Dupe is currently the Group Head, Marketing for United Bank for Africa (UBA) Plc, one of Africa's leading financial services providers. Prior to her current role, she was the Group Head Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS). Through her leadership, there was meritorious expansion in the Bank's stake in the EMDOs & GIS sector across Africa and beyond. Dupe has a deep knowledge of several corporate and retail market economies.

Before joining UBA, Dupe had a distinguished career as the Managing Director and Chief Executive Officer of Teragro Commodities Limited (an indigenous agricultural company). She spearheaded a partnership with Coca Cola to produce Five Alive Pulpy Orange Juice, making Teragro the sole local material source for the juice in Nigeria.

Her professional experience spans various sectors

locally and internationally in capacities that encompass private equity from African Capital Alliance, investments and SME experience from Growing Business Foundation, Bloomberg Financial Markets UK, SecTrust (now Afriinvest), Transnational Corporation of Nigeria Plc and Northern Trust Corporation of Chicago, UK.

Dupe studied Economics at the University of Leicester, United Kingdom and obtained her M.Sc. in Development Economics from the University of Kent. She is Prince 2, PMP and Investor Management Certified (all UK). She is passionate about women development and empowerment, economic development of under-developed countries and Financial inclusion for the disadvantaged in the society.

She was named on Ventures Africa's 10 Most influential Nigerian CEOs of 2015.

Executive Management Team



Valentine Ozigbo
President / CEO

Valentine C. Ozigbo is the President/CEO of Transnational Corporation of Nigeria Plc. Prior to this, he was the Managing Director and CEO of Transcorp Hotels Plc, owner of the Transcorp Hilton Abuja and Transcorp Hotels Calabar both in Nigeria. He is a banker and chartered accountant with over 20 years' experience in commercial, retail, investment and international banking.

Valentine is a graduate of Lancaster University, UK, where he bagged a Distinction in M.Sc Finance. He also has an MBA in Banking & Finance and a B.Sc in Accounting both from the University of Nigeria (UNN). He also has a Global CEO Program certificate from the Lagos Business School, Strathmore University Business School and the IESE Business School New York.

He is a fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Taxation of Nigeria, the Institute of Credit Administration and the Institute of Tourism Professionals. He is also a Chevening Scholar and a member of the Institute of Directors (IOD) Nigeria.

Prior to joining Transcorp, Valentine spent 17 years in the banking industry and was General Manager and Divisional Head in charge of Global Transaction Banking at Keystone Bank Plc, successor to Bank PHB, Divisional Head of International Banking and Head of Global Strategic Alliances at United Bank for Africa Plc. Valentine has also worked with FSB Int. Bank Plc (now Fidelity Bank Plc), Continental Trust Bank Ltd (now part of UBA) and Diamond Bank Plc.



Chike Anikwe
Ag. Group Company Secretary

Chike Anikwe is the Acting Group Company Secretary of Transnational Corporation of Nigeria Plc (Transcorp). Consequently, he serves as Company Secretary of 4 active companies within the Transcorp Group including Transcorp Hotels Plc and Transcorp Power Limited. Chike joined Transcorp Plc in 2013 as Legal Manager for the Transcorp Group. In 2017, his role in Transcorp was expanded to Legal Manager and Assistant Group Company Secretary.

He holds an LL.B. (Hons) degree in Law from the University of Nigeria, a B.L. from the Nigerian Law School, an LL.M. in Corporate & Securities Law from University College London. He is a member of the Nigeria Bar Association (NBA), the Law Society

of England and Wales, the Chartered Institute of Taxation of Nigeria and the Nigeria Leadership Initiative. He is also a solicitor of the Senior Courts of England and Wales (Non-Practising).

Chike has over 15 years of experience and skills in legal and transaction advisory, company secretarial, corporate governance and related practices. Prior to joining Transcorp, Chike was a Senior Associate at Aluko & Oyeboode, a premier law firm, where he acquired 5 years' experience in project financing, corporate, structured and trade finance transactions and general business advisory for multinationals, international organisations, development finance institutions and governments.



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 (with distinction) from the University of Leicester, United Kingdom, as well as an M.Sc. 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 has also worked with KPMG Professional Services and Shell Nigeria Closed Pension Fund Administrators Ltd.



Chinweugo Nwafor
Head, Internal Audit

Chinweugo Nwafor is the Group Head, Internal Audit at Transnational Corporation of Nigeria Plc. (Transcorp). She is a trained GRC consultant and a seasoned audit professional with over 12 years of extensive work experience and proven knowledge in matters relating to internal audit, risk management, compliance, accounting advisory and corporate governance gained in the banking, financial consulting, asset management and insurance sub-sectors of the economy.

Chinweugo holds a B.Sc. degree in Accounting (Second Class Upper Division) from the University of Nigeria Nsukka. She is an Associate of the Institute of Chartered Accountants of Nigeria (ACA) and is also a member of the Institute of Internal Auditors (IIA). She has been certified by the Institute for International Research (IIR) in conjunction with the George Washington University School of Business (GW) on Corporate Governance Best Practices and has also

been certified in G3 and G4 Sustainability Reporting Guidelines by the Environmental & Sustainability Solutions CC (ESS) based on the Global Reporting Initiative (GRI). Chinweugo began her career in Ecobank and later joined KPMG Professional Services where she worked extensively in the Internal Audit Risk & Compliance Services unit and rose to the position of Assistant Manager providing financial advisory, accounting, risk management, corporate governance, contract compliance, internal audit and quality assurance services to clients in varied industrial sectors.

Prior to joining Transcorp, She also served as the Lead Auditor of ARM Investment Managers Plc and subsequently as Head, Internal Audit and Control for ARM Life Plc overseeing the activities of the respective asset management and life insurance businesses driving compliance with standard operating and regulatory procedures.



Oluwasayo Akinwale
Head, Marketing and
Corporate Communications

Oluwasayo Akinwale is a well-rounded and award-winning professional with significant experience in Brand Management, Corporate Communications, and Consumer Marketing acquired over 13 years working across business consulting, telecommunications, financial services, and manufacturing industries. He holds a B.Sc. degree in International Law and Diplomacy from Babcock University and is an alumnus of the Pan-Atlantic University's School of Media & Communication. He is also a member of the National Institute of Marketing of Nigeria (NIMN).

Before joining Transcorp, he worked at Insight Communications Limited, MTN Nigeria Limited, FBN Capital Limited (now FBN Quest) and Lafarge Africa Plc covering consumer and corporate communications, route-to-market strategy development, campaign and project management roles. He has led several brand teams to create innovative solutions and develop tactics that have helped their businesses and brands to succeed in extremely competitive markets.



A cross section of Transcorp's Executive Management Committee members at their periodic meetings



02 Strategy and Business Review

Chairman's Statement



The Message

Distinguished Shareholders, Directors, Ladies and Gentlemen, I am happy to welcome you to the 14th Annual General Meeting of Transnational Corporation of Nigeria Plc (“Transcorp” or “the Company”) and to present the Group’s operating results and key achievements for the financial year ended 31 December 2019.

Last year was undoubtedly challenging, given the significant slowdown in major economies of the world, the economic impact of the 2019 national election in Nigeria and particularly, the issues arising from inadequate gas supply to our power plant.

Your company continues to be a leader in the Nigerian

economy with investment in the critical sectors of the economy: power, hospitality and oil and gas. We aim to be the dominant provider of power to our economy, delight our customers through our hospitality offerings and be a major player in the oil and gas sector. I am pleased to report that your company, through a strong culture of execution, enterprise and excellence continues to lead in the industries in which we operate, despite operational headwinds.

In accordance with my responsibility as Chairman, I am happy to present our annual report for the 2019 financial year, highlighting the performances of our businesses and setting out our key objectives for 2020.

GLOBAL ECONOMY – SYNCHRONISED SLOWDOWN

The slowdown in the global economic growth witnessed in 2018 was further magnified in 2019 due to the continued trade tensions among the major economies, including the United States of America (USA) and China. Although both countries began the year with a trade war truce agreement, they were unable to reach a significant compromise till late in the year. This, along with the slowdown in activities in the United Kingdom (UK) and other European countries as well as increased geopolitical crisis in the Middle East caused global economic growth to further decline from 3.61% in 2018 to 3.01% in 2019, its lowest level since 2014.

The economic boom enjoyed in the US in 2018 lost steam in 2019. While growth in Q1, 2019 was impressive, driven by the increased consumer spending, the GDP growth slowed down to 2.1% by the third quarter of the year due to weakened consumer spending and reduced industrial production. China also had its fair share of the negative impact, experiencing the slowest rate of economic expansion in more than 27 years, despite massive tax cuts extended by the government. In the Euro areas, growth further slowed in 2019 due to political uncertainty and declined exports, underscored by a regional trade war.

In Africa, GDP growth for the region remained flat at 3.4%, about the same level as in 2018, with divergent performance stories across key economies such as South Africa, Angola, and Nigeria. South Africa had an unimpressive performance, recording reduction in growth from 0.8% in 2018 to 0.7% in 2019, due largely to deterioration in power condition and erratic weather which negatively affected mining and agriculture output. Angola witnessed a challenging economic performance in 2019 as the country continues to struggle with the oil price shock of 2014. The GDP further contracted by 0.1%, indicating that the country was still in recession. In a twist of events, Nigeria's economy strengthened marginally, expanding by 2.3% as against 1.9% in 2018 on the back of increases in oil production and improvement in activities in the non-oil sector.

The outlook for 2020 looks mildly positive. The IMF's projection for global growth

in 2020 is 3.4% as against 3.01% in 2019. Improved trade relations between the U.S. and China, an ambitious free trade deal between the UK and the European Union (EU) as well as increased investment demand in Emerging Markets are key drivers for a promising 2020.

NIGERIA ECONOMY – SLOW RECOVERY

Economic activities in the first half of 2019 were subdued by electioneering activities and delay in the appointment of ministers, which impacted capital expenditure negatively. However, the Nigerian economy was still able to record a growth of 2.3%, marginally higher than 1.9% in 2018. Growth was driven mainly by increases in oil production and significant improvements in the non-oil sectors such as mining, transportation, and telecoms.

The CBN's continued intervention was able to stabilise the naira in the range of 360-365 naira in the parallel market, but this came at a cost of a large decline in the foreign reserve which closed at US\$39 billion, representing 8.4% decline from US\$42 billion in 2018. The downward trend in the price of oil contributed to the fall in the reserve.

The CBN continued its drive to redirect credit facilities to the private sectors through policies such as increase in Loan to Deposit Ratio (LDR) and restriction of local participation in OMO auctions. The Federal Government also embarked on contractionary fiscal policies aimed at shoring up the non-oil revenue by increasing the value-added tax (VAT) rate from 5% to 7.5%, which was expected to take effect in January 2020. In December 2019, the President signed the 2020 Appropriation Bill into law thereby readjusting the budget cycle back to January – December. We expect that the timely implementation of the budget would drive supportive capital spending and bolster economic activities in 2020.

In July 2019, the Nigerian government signed the African Continental Free Trade Agreement (AfCFTA) designed to create a single market in Africa. Although, the closure of borders in 2019 so as to check smuggling activities, boost revenue and protect local production, it created tension with the neighbouring economies, the signing of the AfCFTA agreement signalled commitment of Nigeria to the

agenda of a unified Africa.

Looking ahead, the outlook for the Nigerian economy is modest, with the IMF and ADB estimating a 2.5% and 2.9% growth respectively. The implementation of the Economic Recovery and Growth Plan (ERGP) is critical to the achievement of this performance.

STAYING AHEAD IN AN EVOLVING LANDSCAPE

Despite the economic issues that created operational challenges in 2019, your company remained resolute in its plan to achieve its long-term growth agenda and deliver value to its shareholders. We operate in critical sectors of the economy including power, hospitality and oil and gas, and I present below our performance in these sectors.

In the power sector, the ability of the generation companies (GENCOs) to deliver on their mandates continues to be impeded by various systemic issues including insufficient gas supply, inadequate transmission and distribution infrastructure, poor liquidity and non-cost reflective tariff. Inadequate gas supply and liquidity constraints remain the biggest drawback for the power sector and specifically for Transcorp Power Ltd (TPL). In 2019, gas offtake to TPL by the gas suppliers was restricted due to insufficient gas production, pipeline vandalism, and poor gas infrastructure. This challenge was further aggravated by the non-activation of the Gas Supply and Aggregation Agreement (GSAA) between TPL and the gas suppliers. Thus, gas supply by the gas suppliers was on best endeavour basis.

The inadequate gas supply, coupled with challenges with transmission infrastructure, resulted in a drastic reduction in the company's capacity utilisation. The average daily power generation reduced by more than 30% from about 480mw in 2018 to about 300mw in 2019. All parties have now signed the GSAA activation agreement. The activation of the GSAA would place a contractual obligation on the gas suppliers to supply a minimum of 124mmscf to TPL on a daily basis. Your company is equally exploring gas supply from other gas producers around the power plant. One of our long-term strategies is to secure our gas requirement through our OPL 281 asset which is located close to the power plant.

In 2019, following the expiration of the tenor of the N701b Payment Assurance Plan, the Federal Government approved a N600b Payment Assurance Guarantee Extension Package. This intervention fund will further ease the liquidity challenges in the power sector as it guarantees payment of 100% of invoices submitted by GENCOs. Our target is to fast track payment of our invoices so that all arrears are cleared. We will continue to engage with NBET and the Federal Government on the payment of legacy debts prior to January 2017. The resolution of the legacy debts will provide a substantial solution to the liquidity issues in the power sector.

Transcorp Power Ltd has made considerable progress on the eligible customer opportunity. This framework allows generation companies to sell power directly to certain end-users and is aimed at solving the problem of stranded capacity within the power sector. We are at the final stage of signing our Power Purchase Agreement with some eligible customers, including an international customer.

In the hospitality industry, Transcorp Hotels Plc (THP) maintained its leadership position as it remains the first-choice destination for high profile guests whether for business or relaxation. The hotel grew its revenue by about 17% over what was achieved in the prior year. This result reflects the immense value placed on the hotel's best-in-class hospitality services by local and international guests.

During the year, THP was issued a certificate of discharge by BPE, indicating that the company has fulfilled all privatisation conditions attached to the sale of the hotel and would no longer be subject to any post-privatisation monitoring. This is a reflection of the diligent process of implementing the privatisation programme on one hand and the commitment and professionalism of Management of the Hotel on the other. You will recall that in 2005, Transcorp emerged the core investors in the privatisation of the hotel asset, which later became Transcorp Hotels Plc in 2014, following a decision to make the shares of the hotel available to the investing public. The Hotel's recently upgraded facility was instrumental to the final discharge of the company by the BPE from further post-privatisation obligations.

Transcorp Hilton Abuja was also once again acknowledged locally and internationally as a world-class hospitality provider, as the hotel was honoured with many awards during the year. These include five major awards from the 2019 World Travel Awards and two major awards from the 2019 Seven Stars Luxury Hospitality and Lifestyle Awards. The hotel also won the TripAdvisor's Certificate of Excellence for Hotel and Certificate of Excellence for Bukka Restaurant.

HIGHLIGHTS OF 2019 FINANCIAL PERFORMANCE

The challenges faced in our power business affected both the Group and Company's performance during the year under review.

- Gross Earnings for the Group reduced to N76.3 billion in 2019 from N104.1 billion in 2018. Gross earnings for the Company reduced to N3.2 billion in 2019 from N8.9 billion in 2018
- Operating income for the Group reduced to N22.5 billion in 2019 from N34.6 billion in 2018. Operating income for the Company reduced to N3.3 billion in 2019 from N7.5 billion in 2018.
- Profit Before Tax for the Group reduced to N7.9 billion in 2019 from N22.4 billion in 2018. Profit Before Tax for the Company reduced to N1.2 billion in 2019 from N5.7 billion in 2018.
- The Group's total asset grew to N313.1 billion in 2019 from N297.1 billion in 2018 while the Company's total asset reduced to N60.2 billion from N65.6 billion in 2018.

TOWARDS EXCELLENT EXECUTION IN 2020.

We believe that the excellent execution of our existing strategic initiatives will be critical to our success in 2020. We intend to take full advantage of every new opportunity to protect ourselves from future systemic challenges as we pursue the following agenda in 2020.

Transcorp Power Limited

In response to the gas challenges faced in 2019, we took a strategic decision to take some of our generating turbines out

of inventory for refurbishment. One of the turbines is now back in inventory while the second is expected back in the second quarter of 2020. These 2 turbines contribute about 200MW to our available capacity. This, together with the activation of the gas agreement, provides a solid foundation for a strong performance in 2020. We plan to increase our available capacity to over 700MW in 2020. We will further solidify our strategic partnership with the gas suppliers and other stakeholders to ensure adequacy of the quantity and quality of gas supply. We will equally continue our engagement with NBET and Federal Government in finding a practical solution to the legacy debt owed to Transcorp Power Ltd.

Transcorp Hotels Plc

The upgrade of Transcorp Hilton Abuja has been fully completed. In 2020, we plan to take advantage of these major improvements in our facilities to further strengthen our position as the leading luxury hotel in Nigeria. Also, we plan to optimise our existing facilities through the conversion of the warehouse to Transcorp Event Centre, set with a luxurious architectural style and refined ambience. This will bring additional revenue to the hotel.

We will keep Transcorp Hotels Calabar on a track of profitability through several initiatives around excellent service delivery and efficient cost management. This will allow the hotel to maintain its competitive edge in its market.

Transcorp OPL 281

The extension obtained from NNPC on the Phase 1 Exploration Period for OPL 281 PSC has given us additional time to fulfil our work commitments, including drilling of the appraisal wells.

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

New Business Opportunities

I am happy to inform you that a consortium led by your company was selected as the preferred bidder for the 100% acquisition of Afam Genco, including Afam Power Plc and Afam Three Fast Power Limited (Afam Genco). Afam Genco, a 966MW power plant, is located in Oyigbo Local Government Area of

Rivers State, approximately 40 km north of Port Harcourt.

I am particularly excited about this new opportunity as this brings us closer to our long-term objective of providing electricity to one out of every four Nigerians. In addition, this new acquisition comes with many advantages including closeness to gas supply, sufficient evacuation capacity and a brand new 240MW Afam Three Fast Power plant. We are currently negotiating the necessary acquisition contracts and we expect this asset to start reflecting in the Group's financial performance from the third quarter of 2020.

In addition, Transcorp Power was admitted into the membership of the West African Power Pool (WAPP) as a member. This provides Transcorp the opportunity for electricity sales across the West African regional market. This also provides a substantial solution to the issue of stranded capacity. Your company

is equally exploring opportunities in the development of Solar Hybrid Mini-grid solutions in partnership with ENGIE.

APPRECIATION

Despite the economic challenges of 2019, your company's Board and Management remain steadfast in our effort to consolidate the significant achievements recorded to date. I am convinced that our core values of enterprise, excellence, and execution provide the surest route to achieving our long-term purpose of improving lives and transforming Nigeria.

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 would also like to thank the Board of Directors and Executive Management for their invaluable contribution to the continued progress of our Company.

Thank you.



Tony O. Elumelu, CON
Chairman, Board of Directors



Chairman of Transcorp, Tony O. Elumelu CON with the President of Nigeria, Muhammadu Buhari, GCFR after receiving the National Productivity Order of Merit Award at the State House in Abuja.

CEO's Report



The Message

Distinguished Shareholders, Directors, Ladies and Gentlemen, I am pleased to welcome you to the 14th Annual General Meeting of our company, Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company") and to present to you the financial and operating results of the company for the year ended 31 December 2019.

Economic and Sectoral Overview

Nigeria's economy continues to recover at a very slow pace as the GDP grew slightly by 2.3% in 2019 as against 1.9% in 2018. The growth in the economy was largely due to an increase in oil production and improvement in the non-oil sector such as mining, transportation, and telecoms. Oil production in the country hit 2mbpd during the year and averaged 1.99mbpd for the first 3 quarters of 2019.

The Central Bank of Nigeria (CBN) continued its intervention in the FX market to maintain stability in the system. Naira traded within a tight band throughout 2019 hovering around N360-N365/\$ in the parallel market. The CBN also announced the exclusion of local corporates and individuals from participation at Open Market Operation (OMO) markets from October 2019. This resulted in a crash in the market interest rates to single digit. Meanwhile, OMO sales to Foreign Portfolio Investments (FPIs) are maintained at a relatively competitive rate as a strategy to preserve the external reserves and keep the exchange rate stable. The CBN equally directed the banks to maintain a loan to deposit ratio of 65% to redirect credit facilities to the private sectors. The banks were forced to either reduce their fixed term deposit rates to moderate deposit growth or revise their lending rates downwards to aggressively grow credit or simultaneously pursue both in a bid to hit the CBN Loan-to-Deposit Ratio (LDR) target.

Gas supply, poor transmission and distribution infrastructure as well as liquidity challenges remain major factors limiting Nigeria's power generation potential. These factors affected the performance of our power business during the year under review.

The Nigerian Gas Company (NGC)'s 18-inch gas pipeline from the Escravos-Lagos Pipeline System to our Ughelli power plant was vandalized in Q1 2019. The Ughelli East Gas Plant supplying gas to the power plant through the Ughelli East Gas Pipeline was also completely shut down for emergency and statutory maintenance for some days in Q2 and Q3 2019. In the same vein, NGC closed the gas shutoff valve to Transcorp Power Limited (TPL) for some days in Q1 and Q3 2019 as a result of persisting low gas line pressure. Gas

supply to TPL was restricted as a result of these incidences. In addition, gas supply from our two suppliers (NGC and Nigerian Petroleum Development Company) was largely on a best endeavour basis and not contractual, as the Gas Supply and Aggregation Agreement (GSAA) was not activated.

We have made significant progress on the activation of the GSAA with the gas suppliers by executing necessary agreements with all parties. The agreement places a contractual obligation on the gas suppliers to supply a minimum of 124mmscf to TPL on a daily basis. We intend to optimize the opportunities from the activation of the GSAA. This will increase our power generation and provide an allowance for full payment on capacity to TPL by Nigerian Bulk Electricity Trading Plc (NBET). We are equally exploring additional affordable gas supply from other gas producers. Our long-term strategy is to produce the gas requirement from our OPL 281 asset which is located close to the power plant.

On transmission, there were several dispatch instructions from National Control Centre (NCC) requesting TPL to reduce generation due to distribution constraints and preferential dispatch accorded to Hydro Power Plants. Also, there were some transmission infrastructure challenges during the year which greatly limited TPL's ability to evacuate generated power into the National grid. Transmission Company of Nigeria (TCN) lost the 330KV line G3B in Q1 2019 due to vandalism; TCN's 75 Mx reactor was engulfed by fire at the Benin Transmission in Q2 2019; High system voltages were recorded in Q3 2019. In addition, more than 10 grid collapses occurred in 2019. These further reduced power transmission to the National Grid.

The inadequate gas supply, as well as the challenges with transmission infrastructure, resulted in a drastic reduction of the company's capacity utilisation. The average daily power generation reduced by more than 30% from about 480MW in 2018 to about 300MW in 2019.

We are currently exploring the opportunities created by the Eligible Customer regime initiated by the Federal Government to allow the sale of power directly to certain end-users who meet the criteria set out in the governing regulation. By so doing, we can put to good use our stranded capacities which are not available for dispatch due to constraints of the NCC's instructions.

The Federal Government has approved a N600b Payment Assurance Facility as an extension for the expired N701b Payment Assurance Plan. The N600b intervention fund guarantees payment of 100% of the monthly invoices submitted by power generation companies (Gencos). Our target is to fast track payment of our invoices so that all arrears are cleared. We continue to engage with NBET and the Federal Government on payment of legacy debts prior to January 2017 as well as unpaid portions of the monthly invoices from January 2017 to date. The resolution of this long outstanding NBET indebtedness will provide a substantial solution to the liquidity issues in the power sector.

Our hospitality business delivered a resilient performance notwithstanding the impact of economic challenges of 2019 on the hospitality industry. Transcorp Hotel Plc (THP) continues to retain its leadership position in the hospitality sector through offerings of premium luxury destination in Nigeria. During the year, we benefitted from increased traffic of high-profile state visits as well as numerous private and public sector events. THP grew its revenue by about 17% over that achieved in the prior year.

Operating Results and Financial Performance Review

The performance of the Group and the Company during the year under review was affected by the challenges in our power business, which represents over 70% of the Group operations.

Also, the Group had a high deferred tax charge during the year under review. Transcorp Power Limited was granted pioneer status incentive from 2014 to 2018. During the pioneer status period, TPL was exempted from paying income tax. In addition, TPL has been taking deferred tax credits thereby building up deferred tax assets, using the unrealized exchange loss and unutilised capital allowance. With the completion of the pioneer status period in 2018, TPL is exposed to a payment of company income tax in 2019. The utilisation of the realized exchange loss and previously unutilised capital allowance to reduce the current year company income tax culminated in the unwinding of the deferred tax assets.

thereby resulting in a high deferred tax charge during the year under review.

Revenue

Gross earnings realised for the Group in 2019 was N76.3bn as opposed to N104.1bn in 2018. The reduction of 27% was mainly due to reduction in power generation by TPL.

Profit

Cost of sales ("COS") reduced from N55.9bn in 2018 to N40.9bn in 2019 representing a 27% year-on-year decrease. This was due to decrease in cost of gas in line with decreased power generation. Gross profit for the Group was N35.4bn, a reduction of 27% from N48.2bn posted in 2018.

Group operating profit was N22.5bn, representing 35% decrease over N34.6bn posted in 2018. Profit before tax was N7.8bn while profit after tax was N3.7bn in 2019 compared to PBT of N22.4bn and PAT of N20.6bn achieved in 2018.

The difference between the PBT and PAT for the year, was as a result of deferred tax charged to our power business as noted earlier.

Assets

Total Assets for the Group stood at N313.1bn in 2019, compared to N297.1bn in 2018. Increase in property plant and equipment and trade and other receivables accounted for growth in total assets.

Key Business Achievements in 2019

Hospitality

Operations

Transcorp Hilton Abuja continues to lead in the hospitality industry in Nigeria and grow aggressively with a turnover increase of about 17% when compared to the previous year. The hotel was able to achieve this by delivering top-tier world-class services to its guests. As a validation of its position as the number one hub for business, leisure and relaxation of high profile guests in Nigeria, the hotel hosted a significant number of high-profile individuals in 2019, including foreign election observers.

The hotel remains the first choice for visits of royalty and is the melting point for important national and regional conferences.

During the year, Transcorp Hotels Plc was discharged from post-privatization monitoring via a Certificate of Discharge issued by Bureau of Public Enterprise

on behalf of the National Council on Privatization (NCP). This implies that the hotel has satisfied all the requirements and conditions specified during the sale of the hotel.

Projects

Transcorp Hilton Abuja

The renovation and upgrade of our rooms have been completed and all rooms are in order, fitted with the best state of the art facilities. The clinic remodeling has been completed and is up and running with a responsive team rendering professional services to guests. Our square-shaped meeting rooms with solid walls have also been upgraded and installed with audio and visual equipment ensuring the delivery of a 5-star experience.

The conversion of the warehouse to Transcorp Event Centre is currently underway. The event centre will be set with a luxurious architectural style and refined ambience which will bring in a high turnover on events.

Transcorp Hilton Ikoyi

Following the land swap deal with the Institute of Directors (IoD), we now have a total land size of 11,563 sqm which provides us with a better opportunity to develop the property. The proposed 5-star hotel will have 300 guest rooms with an optimized room mix matrix, as well as state of the art amenities. There will also be an adjoining multi-use complex to be built adjacent to the hotel. This will house offices, apartments and other commercial spaces. The Company intends to complete Transcorp Hilton Ikoyi by 2023.

Transcorp Hilton Port Harcourt

Land acquisition and clearing of the property have been completed. Total land size is 12,550.7sqm but the project remains on hold while we prioritize the Transcorp Hilton Ikoyi projects to secure maximum return on investment.

Awards & Recognition

Transcorp Hotels Plc emerged as the proud recipient of five prestigious awards at the 2019 World Travel Awards. These are Africa's Leading Business Hotel, Nigeria's Leading Business Hotel, Nigeria's Leading Hotel, Nigeria's Leading MICE Hotel, and Nigeria's Leading Hotel Suite.

Transcorp Hotels Plc was also honoured as one of the World's top luxury hospitality brands as the hotel won the prestigious Signum Virtutis (Seal of Excellence) award

at the 2019 Seven Star Awards. Our Chairman, Tony. O Elumelu CON received the first ever Man of the Year Award and I, in my capacity as the President/CEO, emerged as the Hospitality Man of the Year

Other awards won by the hotel include TripAdvisor's Certificate of Excellence for Hotels and TripAdvisor's Certificate of Excellence for Bukka Restaurant.

At the Group level, our company won the 2019 Pearl Awards for Sectoral Leadership in the Conglomerates division as well as the Most Outstanding CSR Organization of the Year at the Nigeria Entrepreneurs Awards. Similarly, in furtherance to our robust corporate governance footprints, we emerged as the Most Improved Company (Conglomerates Sector) on the Nigeria Stock Exchange at the Capital Market Correspondents Association of Nigeria (CAMCAN) award.

Power

We continued our proactive maintenance program for our power generation assets. During the year, we scheduled two of our generating turbines for maintenance. One of these turbines is back in the inventory while the second one is expected by the second quarter of 2020. These two turbines are expected to move our available capacity to above 700MW by 2020, which will put us in the position to optimize the expected improvement in gas supply that will be created by the full implementation of the gas supply and transportation contractual arrangements. We continued to engage with NCC to maintain optimal load on our generating turbines.

We equally improved on the valuable relationship built with our gas suppliers to ensure relative stability in gas supply. We see gas as the most critical input for our power generation operations and as such will continue to explore new sources of 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.

Oil and Gas

The extension obtained from NNPC on the Phase 1 Exploration Period for OPL 281 PSC has given us additional time to fulfil our work commitments, including drilling of the appraisal wells.

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

New Business Opportunities

Following our successful bid, the National Council on Privatization approved Transcorp Consortium as the preferred bidder for the 100% acquisition of Afam GENCO, comprising of Afam Power Plc and Afam Three Fast Power Limited, with a bid price of N105.3bn.

Afam GENCO has a total installed capacity of 966MW generated from a gas-powered plant in Rivers State. With this new acquisition, our combined installed generation capacity will go up to about 2,000MW in line with our medium-term strategic objectives.

This acquisition comes with many advantages including closeness to a gas supply, sufficient evacuation capacity and a brand new 240MW Afam Three Fast Power plant. We are taking necessary steps in consummating the deal, as we negotiate the terms of the transaction with the Bureau of Public Enterprise (BPE). We expect this asset to start reflecting on the Group's financial performance from the third quarter of 2020.

In furtherance of our strategic objective of extending our reach to the West African region, your company joined the membership of the West African Power Pool (WAPP). This provides Transcorp with the opportunity to explore electricity sales across the West African regional market. The leverage on the WAPP membership to serve international customers in the West African region provides us a substantial solution to the issue of stranded capacity.

In addition, Transcorp is exploring commercial opportunities in off-grid alternatives to complement our grid electricity business. As a result, Transcorp and Engie entered into a strategic alliance for the development of solar mini-grids in Nigeria. We believe that this partnership will allow us to deepen our play in the power sector and diversify our energy mix to renewable sources.

2020 Outlook

Following the progress in the activation of the power GSAA and conclusion of the Transcorp Hilton Abuja hotel upgrade, we have positioned the company for better performance in 2020. Against this backdrop, we intend to take full advantage of opportunities created by this progress and to remain resolute in executing all our under-listed strategic priorities.

- Ramp up power generation to take advantage of the improvement in gas supply with a target available capacity above 700MW.
- Conclude negotiation and takeover of AFAM Genco to deliver more value to our stakeholders.
- Maintain effective occupancy rate of 70% of available stock of rooms.
- Conclude other upgrade projects at Transcorp Hilton Abuja, especially the conversion of the warehouse to the event centre to enhance our earnings.
- Continue to push the expansion agenda in driving necessary milestone achievements towards developing Ikoyi & Port Harcourt properties.
- Sustain effective execution of turnaround initiatives to maintain the profitability track for Transcorp Hotels

Calabar.

- Continue to partner with relevant agencies to manage relationships with local communities to prevent further vandalization of Gas transportation infrastructure.

Conclusion

We believe that a strong foundation for sustainable growth in the future has been put in place and we remain focused on taking advantage of this foundation to create long term value for all stakeholders while positioning Transcorp as a Pan-African conglomerate institution. We will continue to drive our operation through the excellent execution of our strategies.

On a personal note, this will be my last AGM as the President/CEO of our company and I will like to thank every shareholder for your support and encouragement throughout my tenure. As I proceed to public service, I am going with the valuable insights I have gained from my engagements with you and other stakeholders of our company.

I am very confident that the next executive leadership team is battle-tested and ready to ensure continuous growth in the performance of our Company. Equally I thank the Management and staff for their loyalty and dedication to the Company. Finally, I thank the Chairman and all Board members for their exemplary leadership, guidance and ever-reliable support.

Thank you.



Valentine Ozigbo
President/CEO



President/CEO Transcorp Plc, Valentine Ozigbo; MD/CEO Transcorp Hotels Plc, Owen Omogiafo and MD/CEO, Transcorp Power Ltd, Christopher Ezeafulukwe at the 2019 Analyst parley.



03 Governance

Corporate Governance Report

Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company") is committed to high standards of Corporate Governance. The Board is responsible for embedding high standards of Corporate Governance across the Company. They ensure that Management implements adequate policies, procedures and systems to produce an efficiently functioning Company geared towards the creation and sustenance of shareholders and other stakeholders' value.

1. Overview

During the year ended 31 December 2019, Transcorp complied with the provisions of the Code of Corporate Governance issued by the Securities & Exchange Commission (SEC) and all laws regulating corporate governance. This is in line with our objectives of creating and sustaining value for key stakeholders. In realizing these objectives, the Board is effectively supported by its committees namely, the Board Audit & Governance Committee (BAGC) and Finance & Investment Committee (FIC). This is in addition to the Executive Management Committee (EMC) put in place to ensure efficient execution of the directives of the Board.

Our corporate governance policies approved by the Board of Directors remained operational throughout the period under review. These are:

- **Group Policy Governance Framework:** This framework explains the governance laws applicable to the Company's businesses. It provides for policy development and application, policy classification, review, and revision as well as policy deviations and guiding templates.
- **Board Governance and Board Committees Governance Charter:** This charter provides the governance framework for the Group Board and Board Committees. The framework promotes the effective governance of the Group.
- **Executive Management Charter:** This charter provides for the Executive Management Committee (EMC) of the Company – its composition, role, terms of reference, proceedings and general governance framework.
- **Subsidiary Governance Charter:** The Subsidiary Governance Charter provides for Group subsidiary governance, subsidiary boards of directors, subsidiary governance structure, subsidiary board committees, executive management, and organization structure.

2. Board of Directors

2.1 General

The Board of Directors comprises of seven (7) members made up of two (2) Executive Directors (the CEO and the ED) and five (5) Non-executive Directors one of whom 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) and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over the Board proceedings. The Board meets at least four times in a year and the year 2019 was no exception. The details of Directors' attendance at Board meetings are disclosed on page 27 of the Annual

Report. The Board establishes formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the day-to-day operations of the Company. The delegation of authority conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to Management. Any responsibility not delegated remains with the Board and its committees. The Company has continued to benefit tremendously from the wealth of experience of its Directors, all successful individuals who have distinguished themselves in their chosen fields.

2.2 Board Induction and Training

All Directors were appointed after the nomination and recommendation of the Board Audit and Governance Committee in accordance with the Board and Board Committees Governance Charter. The Company has in place a formal Director Induction Plan & Procedure. Newly appointed Directors undergo this induction program to become more knowledgeable about the business, its governance structure; its key officers; its subsidiaries' businesses, facilities, and operational procedures. They are also trained along with other Board members Group-wide.

2.3 Membership and Changes on the Board

There was no change in the composition of the Board of the Company during the year under review. The Board of Directors of the Company comprised the following in the course of the year 2019:

SN	Director	Position	Date appointed to the Board	Date(s) re-appointed/ re-elected	Date of Resignation / Retirement
1.	Mr. Tony O. Elumelu, CON	Chairman	14 April 2011	21 June 2013, 29 April 2016, 15 March, 2019	N/A
2.	Mr. Valentine Ozigbo	President/CEO	1 January 2019	N/A	N/A
3.	Mr. Emmanuel N. Nnorom	Non-executive Director	16 December 2013	15 March 2019	N/A
4.	Dr. Stanley I. Lawson	Non-executive Director	19 September 2011	21 June 2013, 8 May 2015, 30 April 2018	N/A
5.	Mr. Christopher Ezeafulukwe	Executive Director	1 July 2018	N/A	6 February 2020
6.	Ms. Obi Ibekwe	Independent Non-executive Director	30 October 2018	NIL	N/A
7.	Mrs. Toyin Sanni	Non-executive Director	30 October 2018	NIL	N/A

2.4 Board Meeting Attendance

Directors	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. Tony O. Elumelu, CON	5	5	13 February 2019, 29 May 2019, 16 July 2019, 29 October 2019, 3 December 2019
Mr. Valentine Ozigbo	5	5	13 February 2019, 29 May 2019, 16 July 2019, 29 October 2019, 3 December 2019
Mr. Emmanuel Nnorom	5	5	13 February 2019, 29 May 2019, 16 July 2019, 29 October 2019, 3 December 2019
Dr. Stanley I. Lawson	5	5	13 February 2019, 29 May 2019, 16 July 2019, 29 October 2019, 3 December 2019
Ms. Obi Ibekwe	5	5	13 February 2019, 29 May 2019, 16 July 2019, 29 October 2019, 3 December 2019
Mrs. Toyin Sanni	5	5	13 February 2019, 29 May 2019, 16 July 2019, 29 October 2019, 3 December 2019
Mr. Christopher Ezeafulukwe	5	5	13 February 2019, 29 May 2019, 16 July 2019, 29 October 2019, 3 December 2019

3. Board Committees & Executive Management Committee

3.1 Board Audit & Governance Committee

The functions 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 including Audit and Regulatory Compliance.

During the year, the Committee, amongst other things, continued to work in line with its mandate and made recommendations to the Board on the matters stated above and other issues delegated to it by the Board. The Committee comprises the following:

- | | | | |
|----|------------------------|---|----------|
| 1. | Dr. Stanley I. Lawson | - | Chairman |
| 2. | Mr. Emmanuel N. Nnorom | - | Member |
| 3. | Ms. Obi Ibekwe | - | Member |

Written reports of the Committee's meetings, decisions made, and its recommendations are presented to the full Board at quarterly Board meetings.

During the year under review, the BAGC met four (4) times. The table below shows the frequency of meetings of the BAGC and members' attendance:

Directors	Total no. of meetings obliged to attend	Total no. Of meetings attended	Dates of meetings attended
Dr. Stanley I. Lawson	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Mr. Emmanuel N. Nnorom	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Ms. Obi Ibekwe	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019

Each BAGC meeting was attended by the Head, Internal Audit.

3.2 Finance and Investment Committee

The functions 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.
- Assist the Board in fulfilling its oversight responsibilities with regard to audit and control.
- Ensure that an 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, independence and performance of external and internal auditors and the financial control departments.

During the year, the Committee amongst other things reviewed the Company's process of accepting credit facilities from financial institutions, quarterly financial statements, tax-related matters, funding requirements of operating businesses, budgets, earnings forecasts, risk management reports, progress on key investments, and more. The Committee took certain decisions on the above-mentioned matters and made recommendations to the Board for approval.

The Committee comprises:

- | | | | |
|----|-----------------------------|---|----------|
| 1. | Mr. Emmanuel N. Nnorom | - | Chairman |
| 2. | Mr. Valentine Ozigbo | - | Member |
| 3. | Mrs. Toyin Sanni | - | Member |
| 4. | Mr. Christopher Ezeafulukwe | - | Member |

During the year under review, the FIC met four (4) times. The table below shows the frequency of meetings of the FIC and members' attendance:

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended (dd/mm/yy)
Mr. Emmanuel Nnorom	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Mr. Valentine Ozigbo	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Mrs. Toyin Sanni	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Mr. Christopher Ezeafulukwe	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019

Each FIC meeting was attended by the Group CFO who presented the Financial and Risk Management reports.

3.3 The Statutory Audit Committee

The Statutory Audit Committee (SAC) is broadly empowered, amongst other things; to review the Group'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, is chaired by a shareholder and has two other shareholders and three directors as members. In addition to the powers conferred on it by CAMA, the Committee is empowered to engage the services of independent consultants in the discharge of its duties. The Committee comprises:

1. Mr. John Iselese - Chairman (Shareholder representative)
2. Mr. Matthew Esonanjour - Member (Shareholder representative)
3. Alhaji Abu Jimah - Member (Shareholder representative) - Retired 15 March 2019
4. Ms. Judith Rapu - Member (Shareholder representative) - Elected 15 March 2019
5. Dr. Stanley Lawson - Member (Director representative)
6. Ms. Obi Ibekwe - Member (Director representative)
7. Mrs. Toyin Sanni - Member (Director representative)



John Iselese



Judith Rapu



Matthew Esonanjour



Obi Ibekwe



Stanley I. Lawson



Toyin Sanni

During the year under review, the SAC met four (4) times. The table below shows the frequency of meetings of the SAC and members' attendance.

Members	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended
Mr. John Isesele	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Mr. Matthew Esonanjour	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Alhaji Abu Jimah ¹	1	1	7 February 2019
Ms. Judith Rapu ²	3	3	15 April 2019, 8 July 2019, 24 October 2019
Dr. Stanley Lawson	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Ms. Obi Ibekwe	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019
Mrs. Toyin Sanni	4	4	7 February 2019, 15 April 2019, 8 July 2019, 24 October 2019

3.4 Executive Management Committee (formerly Executive Management Team)

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

- Articulating the strategy of the Group and recommending the 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.
- Preparation of 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. ED Legal & Business Development
3. Chief Financial Officer
4. Group Company Secretary
5. Director of Resources
6. Head, Internal Audit & Compliance
7. Head, Marketing and Corporate Communications
8. CEOs of Subsidiaries

The EMC meets fortnightly to consider operational matters and the President/CEO is the Head of the EMC. The Committee is responsible for the management of the Group's businesses.

1. Alhaji Abu Jimah retired as a member of the SAC on 15 March 2019

2. Ms. Judith Rapu was elected a member of the SAC on 15 March 2019.

Directors' Report

DIRECTORS' REPORT

The Directors present their annual report on the affairs of Transnational Corporation of Nigeria Plc ("the Company") together with the audited financial statements for the year ended 31 December 2019, 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 16 November 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 November 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 Properties Limited
- Transcorp Hotels Ikoyi Limited
- Transcorp Hotels Port Harcourt Limited

2. PRINCIPAL ACTIVITIES

The Company's business is the 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. RESULTS

The Company and Group's detailed results for the year ended 31 December 2019 are set out on page 54 of this report.

4. DIRECTORS AND THEIR INTERESTS

The Directors' direct and indirect interests in the shares of the Company as at 31 December 2019, were as follows:

Directors Shareholding as at 31 December 2019

S/N	NAME OF DIRECTORS	DIRECT	INDIRECT	Indirectly Held through	Total No. of Shares Held in 2019	Total No. of Shares Held in 2018
1	Tony O. Elumelu, CON	273,104,041	293,983,193 273,545,722	HH Capital Ltd Heirs Holdings Ltd	840,632,956	840,632,956
2	Emmanuel N. Nnorom	Nil	11,403,487	Vine Foods Ltd	11,653,487	11,403,487
3	Valentine Ozigbo	10,859,126	Nil	Nil	10,859,126	10,859,126
4	Stanley Inye Lawson	122,790,102	Nil	Nil	122,790,102	122,790,102
5	Toyin Sanni	31,506	Nil	Nil	31,506	31,506
6	Obi Ibekwe	Nil	Nil	Nil	Nil	Nil
7	Christopher Ezeafulukwe	5,000,000	Nil	Nil	5,000,000	5,000,000

5. DIVIDEND

The Directors recommend a final dividend of N406,479,903 or N0.01 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 31 December 2019.

6. DIRECTORS' INTERESTS IN CONTRACTS

During the year under review, none of the directors notified the Company of any direct or indirect interests in contracts relating to the Company for the purpose of section 277 of the Companies and Allied Matters Act.

7. ALTERNATE DIRECTORSHIP

There was no alternate directorship during the year under review.

8. SHAREHOLDING ANALYSIS & SHAREHOLDER STRUCTURE

The shareholding analysis and structure of the Company as at 31 December 2019 were as follows:

Range Analysis as at 31 December 2019

Range	No. of Holders	Holder %	Holder Cum.	Units	Units %	Units Cum.
1 - 999	4,676	1.66	4,676	1,774,198	0.00	1,774,198
1,000 - 9,999	210,113	74.64	214,789	534,156,215	1.31	535,930,413
10,000 - 99,999	55,113	19.58	269,902	1,302,771,051	3.21	1,838,701,464
100,000 - 999,999	9,807	3.48	279,709	2,443,320,342	6.01	4,282,021,806
1,000,000 - 9,999,999	1,579	0.56	281,288	3,565,047,570	8.77	7,847,069,376
10,000,000 - 99,999,999	156	0.06	281,444	3,653,443,103	8.99	11,500,512,479
100,000,000 - 999,999,999	44	0.02	281,488	12,750,718,634	31.37	24,251,231,113
Above 1,000,000,000	9	0.00	281,497	16,396,759,180	40.34	40,647,990,293
Grand Total	281,497	100		40,647,990,293	100	

SHARE CAPITAL HISTORY

Date	Authorised from Units	Authorised to Units	Issued from Units	Issued to Units	Consideration
2004	Nil	100,000,000	Nil	25,000,000	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

Shareholder Structure as at 31 December 2019

S/N	HOLDER TYPE	HOLDER COUNT	HOLDINGS
1	CORPORATE	2,873	22,711,787,751
2	GOVERNMENT	18	5,776,038
3	INDIVIDUAL	277,536	17,834,365,180
4	INSTITUTION	1	1,800
5	JOINT	1,063	85,174,055
6	PENSION	6	10,885,469
	TOTAL	281,497	40,647,990,293

9. SUBSTANTIAL INTEREST IN SHARES

As at 31 December 2019, only UBA Nominees Limited, held 5% or more of the issued share capital of the Company.

S/N	NAME	HOLDINGS	%
1	UBA NOMINEES LTD - TRADING	3,762,647,995	9.26

10. PROPERTY, PLANT, AND EQUIPMENT

Information relating to changes in the fixed assets of the Company is given in Note 20 to the financial statements.

11. STATEMENT ON RISK MANAGEMENT POLICY & PRACTICES

The Company has an Enterprise Risk Management Framework that sets out the governance structure, process and policy requirements for the consistent management of risk. The Enterprise Risk Management Framework was developed to institutionalize sound risk management practices across the Transcorp Group.

It covers the Framework principles such as Risk Management Objectives, Risk Management Strategies, Risk Management Philosophy and Culture, Risk Appetite and Risk Oversight as well as the processes including risk identification, analysis, management, monitoring, reporting, and communication. The Board sets the tone for risk management by setting the risk appetite for each business and risk identified. Management dimensions the risks following a quarterly risk assessment. The FIC has oversight for risk management. The risk report is presented quarterly at each FIC meeting and key risks noted are escalated to the Board with recommendations from the FIC.

The risk management systems and practices at the Company are effective and efficient.

12. PROHIBITION OF INSIDER TRADING – CODE OF CONDUCT FOR DIRECTORS & STAFF

The Company has a Code of Conduct which guides all Board, Staff, Contractors, Suppliers, Consultants and business partners in areas of Health and Safety, Anti-bribery, Ethical Behaviour, Money Laundering, Securities Trading Policy, Insiders Dealings, Discrimination, Drugs, Alcohol, and Substance Abuse or Trafficking, Conflict of Interest Disclosures, Anti-Trust, Relationships with Customers, Information Security Management and more. Each staff and Director is made to sign an undertaking to abide by the Company's Code of Conduct.

13. 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.

14. EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

The Company has a policy of fair consideration of job applications by physically challenged persons having regard to their abilities and aptitude. The Company'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 Company continues, and that appropriate training is arranged for them.

15. EMPLOYEE HEALTH, SAFETY AND WELFARE

The Company maintains business premises and work environments that guarantee the safety and health of its employees and other

stakeholders. The Company's rules and practices in these regards are reviewed and tested regularly. Also, the Company provides free medical insurance for its employees and their families through selected health management organizations and hospitals.

16. DONATIONS AND GIFT

During the year under review, the Company did not make any donation.

17. EMPLOYEE TRAINING AND DEVELOPMENT

The Company 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 Company. In-house and external training are carried out at various levels across the business chains in the Company. The Company's skill base has been extended by a range of trainings provided to employees.

18. AUDITORS

Messrs. Ernst & Young have expressed their willingness to resign as the Group and the Company's auditors in accordance with Section 365 of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004. The Board of Directors hereby recommend that the shareholders approve the appointment of Messrs. Deloitte & Touche as external auditors for the Company effective 2020 financial year in accordance with Section 357 (2) of the Companies and Allied Matters Act, 1990 (CAMA).

By Order of the Board



Chike Anikwe

Ag. Group Company Secretary

FRC/2017/NBA/00000016059

28 February 2020



Transcorp's key leadership team sounded the gong on the floor of the Nigerian Stock Exchange (NSE) in recognition of its excellent 2018 business performance.

Sustainability Report

Making Impact for Sustained Business Growth & Stakeholder Value

More and more, the world is increasingly depending on companies to make sustainable choices. As a leading diversified conglomerate, sensitive to this increasing importance of sustainability to our clients and the general society, sustainability is systemically ingrained in every action we take across our businesses. This corporate culture has been embraced and sustained irrespective of the numerous challenges we face within our operating environment. Transcorp's purpose and its core values form the foundation of who we are as an Institution. Our purpose which is to

improve lives and transform Nigeria inspires our people to make positive impact in all our business dealings. The Company's core values of Execution, Enterprise and Excellence (3Es) shape how we all work collaboratively with our respective stakeholders to attain sustained growth and value.

We put the health and safety of our people first, we invest in our host communities, and we work towards better environmental outcomes in the areas where we operate. We do these while being mindful of the global market forces which require businesses to balance environmental

and societal responsibilities with the inevitable tension of meeting shareholder/stakeholder and commercial obligations. In 2019, our sustainability commitments remained in alignment with our strategic objectives and daily business actions. We attained this through the continuous and steady linkage of our financial performance and brand image with sound corporate governance, product and service excellence, productive workforce, environmental stewardship and social responsibility.



President/CEO of Transcorp, Valentine Ozigbo and MD/CEO of Transcorp Power Ltd, Christopher Ezeafulukwe paid a courtesy visit to His Majesty, Matthew E. Egbi JP, Owahwa II of Okobaro Kingdom in Delta State.



STAKEHOLDER ENGAGEMENT

We understand that our overall organisational performance depends on frequent direct and indirect engagements with all our stakeholders – partners, suppliers, shareholders, communities, government and regulators. Stakeholder perspectives are important for us to improve our performance and stay aware of the relevance and effectiveness of our operations in our operating environment. We conduct engagements to feel the pulse of our stakeholders and obtain their feedback and communicate our operational goals and progress periodically.

The frequency and method of stakeholder engagement vary depending on the category and size of our stakeholder groups. We have provided a summary of the mechanisms, including the frequency in which we engage our respective stakeholders:

Stakeholder	Engagement Mechanism	
Shareholders and Investors	Annual General Meeting	Annually
	Annual reports	Annually
	Shareholder fora	As the need arises
	Website	Frequently
	NSE Portal	Quarterly
Business Partners	Meetings	Regularly
	Site visits	Regularly
	Zonal meetings	Quarterly
Employees	Team meetings	Weekly
	Town hall meetings	As the need arises
	Newsletters	Weekly
	Focus group discussions	As the need arises
Community and NGOs	Monthly meetings	Monthly
	Ad-hoc meetings	As the need arises
	Courtesy visits	As the need arises
Government and Regulatory Authorities	Courtesy visits	As the need arises
	Letters and emails	As the need arises
	Formal meetings	As the need arises
	Participation in government functions / events	Frequently, as the need arises
Media	One-on-One meetings	As the need arises
	Emails	As the need arises
	Press releases	As the need arises
	Interviews	As the need arises
	Industry associations Committee meetings	Quarterly
	Conferences	As the need arises
	Social Media	Daily



Staff of Transcorp Hotels Calabar donating food items to the Old People's Home Calabar.



Staff of Transcorp Hotels Calabar donating stationery items to the pupils of Presbyterian Nursery and Primary School, Big Qua Community, Calabar.



CORPORATE GOVERNANCE

Transcorp remains conscious that in building a successful business underpinned by its core values of execution, enterprise and excellence, there must be efficient use of our human, social and capital resources, overarched with a practical approach to corporate governance to create sustainable wealth. At Transcorp, we are committed to a system of checks and balances across board and at all levels involving the Board, Management and external stakeholders. This is aimed at creating an efficiently functioning organisation geared towards delivering long-term value. We recognise that institutionalising good corporate culture and ethics, through policies and the tone set by the Board contributes to our performance and safeguards our reputation, which is why we are committed to observing applicable laws and regulations and continue to invest in making our programme more engaging and efficient.

To ensure our continued commitment to good governance practices, Transcorp has instituted various policies, procedures and avenues to enable staff and other stakeholders report any unethical activity affecting it. These policies include:

- **Enterprise Risk Management:**

This framework is dedicated to the identification, assessment, treatment and monitoring of risks across the Group.

- **Code of Conduct:**

The policy document clearly elucidates the Group's values, provides guidance on ethical issues and fosters a culture of honesty and accountability. This policy also spells out the Group's position on bribery/corruption, conflict of interests and money laundering matters.

- **Sustainability:**

This framework provides a frame of reference on how to deal with business opportunities and is dedicated to supporting the sustainable development of the Group, its subsidiaries and the community where we operate.

- **Complaints Management, Ethics and Whistleblowing**

Transcorp continues to encourage the culture of whistleblowing with a dedicated process for reporting suspected violations of the Group's

policies or national laws and regulations. A copy of the Transcorp whistleblowing policy is located on the Company's website.

Details of the whistle blowing channels are:

Telephone: 0906 290 9318

Email:

whistleblower@transcorpigeria.com

Whistle blowers are protected from discrimination, or retaliation and can confidently report concerns, suspected violations of either the Company's policies or national laws and regulations. The reports can also be made anonymously. Stakeholders can also access the Complaint Management Procedure alongside the Group's Whistle blowing policy on the Company's website.



EMPLOYEES

We have built an organizational culture of open and continuous communication across all levels. We strive to maintain strong relations with our employees and intentionally create opportunities for direct dialogue between Management and staff. In 2019, we created several fora such as town hall meetings, TGIFs, team bonding, surveys, open office workshops and other initiatives to afford staff with the opportunities to engage management on issues around the business, work-life balance and personal development.

Furthermore, we strongly believe that the diversity of our workforce and inclusive leadership improves our performance. We therefore provide equal opportunities in recruitment, career development, promotion, training and rewards for all employees, regardless of gender, ethnicity or physical ability.

- **Training Initiatives 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. In doing this, we had structured performance improvement interventions to improve overall staff effectiveness and embarked on various high-quality capacity building initiatives in 2019, including rolling out e-learning solutions and other training programmes.

Resourcing & Diversity

One of the key HR priorities in 2019

was ensuring the efficient acquisition of competent resources to occupy identified key roles in the organisation. By leveraging on various networking tools and partnerships, significant and strategic skills were added to the organisation with focus on current business challenges, future opportunities and sustainable business development. We also identified strong talent internally and gave them new challenges.

Currently a quarter of our workforce are women and we increasingly seek opportunities to achieve further gender balance across job functions and roles. The organization equally joined millions of women all over the world to celebrate International Women's Day on March 8, 2019. The theme was "Balance for Better".



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, but also assists them in improving their standards of service and quality of delivery. Purchasing decisions are based upon competitive bidding, following a transparent and auditable vendor selection and management process to ensure they are made in a fair and impartial manner.



SAFETY, HEALTH AND ENVIRONMENT

As Nigeria's leading conglomerate, we maintain business premises and work environments across the Group that guarantee the safety and health of our employees and other stakeholders. In addition to the strategic deployment of fire prevention, emergency alarms

and firefighting equipment across our various business premises and locations, biannual equipment inspection, assessment and certifications are also carried out with the performance of periodic fire drills to boost overall awareness. In 2019, Transcorp Power Limited, surpassed its prior year achievement by attaining a 24% increase in man-hours without accidents at its plant.

To sustain this health and safety culture, Transcorp has instituted several training programmes, work shops and enlightenment programmes designed to equip employees with basic health management tips, First Aid, fire prevention and other occupational safety skills.

Specifically, a Health and Safety (HSE) induction process, with detailed training on health and safety procedures, is also carried out for new employees, out-sourced officers, contractors, and visitors prior to them gaining access to the plant premises. Other initiatives and practices which have been established and sustained include the Lock Out and Tag Out (LOTO), Permit-to-Work, Toolbox talks, Confined space, weekly and monthly safety meetings.

The Company, in partnership with the Nigerian Police, Nigerian Army, Department of State Services & National Security and Civil Defence Corps, ensures proper security coverage of the power plant and residential quarters. The Company issues high value and best industry personal protective equipment (PPE), conducting training on usage and annual replacement of personnel PPEs.

To ensure food is fit for consumption and to avoid cases of our employees suffering from food poisoning, we conducted food handlers test on all kitchen staff. Transcorp also sustained its health drive in conjunction with Avon Medicals by carrying out its annual wellness check for all its employees including the annual audiometric test for all employees in the power generation business inclined to work near the turbine floor. This activity is aimed at promoting healthy behaviour in and out of the workplace and at preventing or timely detecting any health-related concerns which might arise.



COMMUNITY INVESTMENT & CSR

At Transcorp, we strongly believe in enduring partnerships with the community and delivering positive socio-economic impact is critical to our business. From our intervention in education, entrepreneurship, and healthcare, as well as our commitment to invest in underserved communities and work to combat climate change, we are constantly looking for creative and impactful ways to improve lives and transform societies.

For us, the communities in which we operate are part of our key assets. Of far greater importance to us, beyond providing services to critical sectors of the economy, is the role we play in our host communities.

To be more strategic about our impact on the society, we ensure our social investment projects are diversified to include education, youth and economic empowerment, infrastructure, environmental, health and community projects.

In 2019, we partnered with individuals and Non-Governmental Organizations that share our core values to bring the much-needed positive change to our host communities through various initiatives:

Education

We built new classroom blocks at the Transcorp Power Limited Staff school to improve access to education for the community.

In the same year, Transcorp Hotel Calabar donated school supplies to the pupils of Presbyterian Nursery and Primary School, Big Qua Community, Calabar. This move reinforces Transcorp Hotel Calabar's commitment to invest in its immediate community.

The team at Transcorp Hotels Abuja also partnered with Ace Charity, providing the kids of Shape Community Abuja with school bags and school supplies needed to achieve their educational goals. Furthermore, Transcorp Power also donated a two bungalow flat teachers house to the Ekerhavwe community

during the year under review. Environment and Community Development.

We believe that we have a collective responsibility to leave this planet in better shape than we found it, and we are constantly leveraging partnerships and collaborations to safeguard the environment for future generations. Our hotel arm, Transcorp Hilton Abuja in 2019 supported Chaja Datti in the recycling of newspapers and other recyclables at the Hotel. The focus of this project was to convert waste materials such as plastic into resources. As at Q3, 16,935kg of waste had been recycled and through this partnership, 3 full-time waste collectors have been supported on a sustained basis.

In addition, Transcorp Hilton Abuja partnered with Ace Charity in the collection of used soap bars from our hotels, to sanitize and remould them into new soap bars. These bars are given to women in rural areas for personal and commercial purposes.

Empowerment

As our contribution towards building employable graduates and job seekers, our hospitality business supported the 5th edition of the Business Empowerment Program for Women. This edition held with four women participating in the empowerment program.

In addition, we continued our support to the Tony Elumelu Foundation, the last edition was a melting pot for generating ideas and a boost for African Entrepreneurs that converged at our iconic Transcorp Hilton Abuja.

We also completed the Third Batch of Female Skill Training for women in the neighbouring communities surrounding Transcorp Power Limited. As at year end, 14 ladies were trained and equipped with lifelong skills that will transform their lives. Similarly, we concluded the 10th batch of the Male Skill Training in Refrigeration, Welding and other Technical Skills. We had 54 male residents of the host communities trained.

Health

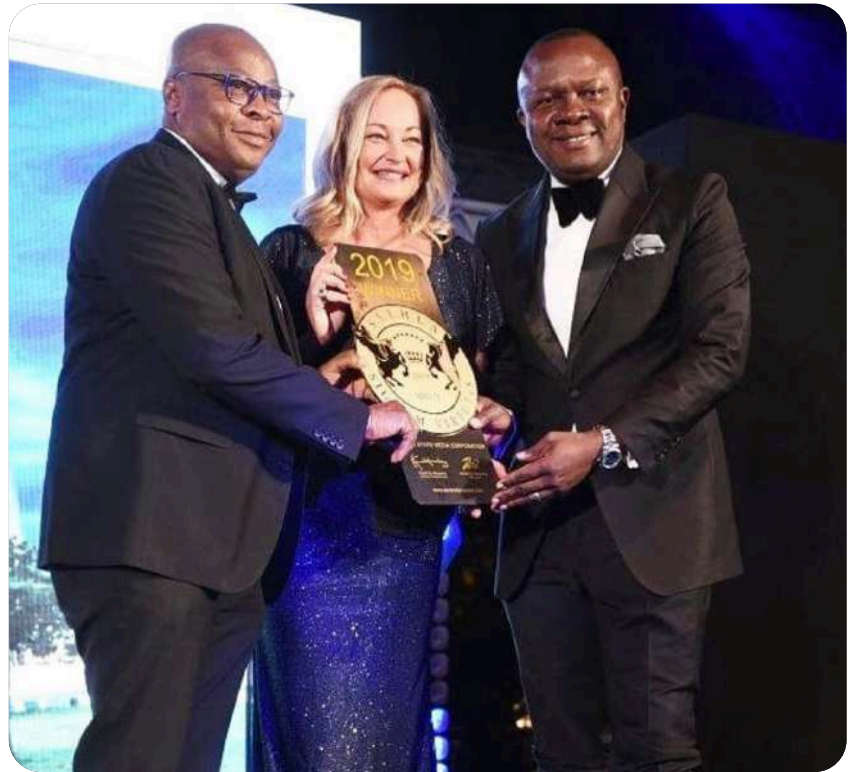
The rising incidence of health diseases has necessitated concerted efforts towards arresting this epidemic. We supported and participated in the Avon 5K Colour Run aimed at creating awareness and promoting the importance of exercise, healthy eating and lifestyle habits.

In a similar vein, we actively took part in the #NSECorporateChallenge, a 5 kilometre race designed to advocate the importance of early testing, detection and importantly, to raise funds to support cancer causes.



AWARDS AND RECOGNITIONS

During the year 2019, Transcorp sustained its award-winning streak through the achievements attained by our subsidiary businesses. These awards and achievements are already detailed in page 23 of the report.



President/CEO Valentine Ozigbo received the Hospitality Man of the Year Award, while Transcorp Hilton Abuja also received 2 Sectoral Leadership Awards for Nigeria and Africa at the Seven Stars Luxury and Hospitality Awards.



Prisca Oghenenefejiro Evwieroyo, a student of Transcorp Power Staff School rewarded by the Commissioner for Education, Barr. Chiedu Ebie, for being the best overall student in the 2018 Basic Education Certificate Examination in Delta State.



Angela Aneke & Co, Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria +234 703 403 3833

February 20 2020

Statement by the External Consultants on the Board Evaluation of Transnational Corporation of Nigeria Plc. for the year ended December 31, 2019

The Board of directors of Transnational Corporation of Nigeria Plc ("Transcorp Plc." or the "Company"), engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2019 in line with the requirements of the Securities and Exchange Commission's ("SEC") Code of Corporate Governance. The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are gleaned from the provisions of the SEC Code of Corporate Governance, the Company's corporate governance policies and charters, as well as global best practice.

Our methodology 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. In order to enhance the efficiency of the Board evaluation exercise, we adopted an automated online process for administering the board evaluation questionnaires and the peer assessment survey to the directors.

Our detailed report has been submitted to the Board of directors for their adoption and further action.

The Chairman of the Board provides effective leadership to the Board to ensure that the company's strategic objectives are met and plays a lead role in the assessment, improvement and development of the Board. He also acts as the main link between the Board and the President/CEO and provides guidance to the President/CEO in the discharge of his duties.

The Board of Transcorp Plc. has well established policies and charters that guide the governance culture of the Company. The Board of Transcorp Plc has a strong system of corporate governance underpinned by a Board Governance & Board Committee Governance Charter. The mandates and terms of reference of the



Angela Aneke & Co, Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria +234 703 403 3833

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. During the year, the Board further approved other policies geared towards improving the efficiency and effectiveness of the Company's governance culture. Furthermore, all the directors achieved 100% attendance at all the Board and Board Committee meetings held in 2019.

The Board is considered strong and optimized and composed of seasoned professionals with a wealth of experience committed to the long-term success of the company. It is a forward-thinking and cohesive Board, that is diverse in experience, skills and gender. The appointment of two female directors has further improved the balance and diversity of the Board. The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively.

The Company also acted as a responsible citizen by embarking on several corporate social responsibility activities in 2019

Based on our work, we conclude that the Board of Transcorp Plc. complied with the amended SEC Code of Corporate Governance 2011 and is also well positioned to meet the requirements of the National Code of Corporate Governance issued by the Financial Reporting Council which is to take effect in 2020.

Yours faithfully,

FOR: **Angela Aneke & Co Limited**

A handwritten signature in red ink that reads 'Angela Aneke'.

Angela Aneke

Managing Director

Statement of Directors' Responsibility

In accordance with the provisions of Sections 334 and 335 of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria, 2004 ("CAMA"), the Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Group and of the profit or loss for the period ended 31 December 2019, and in so doing they ensure that:

- Proper accounting records are maintained;
- Applicable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and
- Internal control procedures are instituted which as far as reasonably possible, safeguard the assets of the Group and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards (IFRS) and the requirements of CAMA.

The Directors are of the opinion that the 2019 consolidated Financial Statements give a true and fair view of the state of the financial affairs of the Company and Group.

The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate systems of internal control.

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

SIGNED ON BEHALF OF THE DIRECTORS:



Valentine Ozigbo
President/CEO



Tony O. Elumelu, CON
Chairman

Report of the Audit Committee

Report of the Statutory Audit Committee

For the year ended 31 December 2019

To the members of Transnational Corporation of Nigeria Plc

In accordance with the provisions of Sec 359(6) of the Companies and Allied Matters Act Cap C20, Laws of the Federation of Nigeria, 2004 ("the Act"), we, the members of the Audit Committee of Transnational Corporation of Nigeria Plc ("the Company"), having performed our statutory obligations under the Act, hereby report that:

- (a) The accounting and reporting policies of the Company for the year ended 31 December 2019 are consistent with legal requirements and ethical practices;
- (b) The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems;
- (c) The scope and planning of the statutory independent audit for the year ended 31 December 2019 are satisfactory; and
- (d) We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at Transnational Corporation of Nigeria Plc



John Isesele
FRC No. FRC/2014/ICAN/00000008988

Dated this 20th day of February 2020

Members of the Statutory Audit Committee

- | | | | |
|----|------------------------|---|----------|
| 1. | Mr. John Isesele | - | Chairman |
| 2. | Mr. Matthew Esonanjour | - | Member |
| 3. | Ms. Judith Rapu | - | Member |
| 4. | Dr. Stanley Lawson | - | Member |
| 5. | Mrs. Toyin Sanni | - | Member |
| 6. | Ms. Obi Ibekwe | - | Member |



Transcorp Chairman, Tony O. Elumelu, CON with the President of Nigeria, Muhammadu Buhari, GCFR; Governor of Lagos State, Babajide Sanwo-Olu; Minister of Foreign Affairs, Geoffrey Onyema and Governor of Central Bank of Nigeria, Godwin Emefiele at the UK Africa Investment Summit in London.



President/CEO of Transcorp, Valentine Ozigbo alongside the MD/CEO of Transcorp Hotels Plc, Owen Omogiafo and Chairman of Transcorp, Tony O. Elumelu, CON showcasing the Transcorp Hilton post-privatisation discharge certificate.



MD/CEO Transcorp Power Ltd, Christopher Ezeafulukwe and ENGIE Africa's CEO, Yoven Moorrooven signing a Memorandum of Understanding (MOU) to herald Transcorp and Engie's strategic alliance for the development of solar mini grids in Nigeria



MD/CEO Transcorp Power Ltd, Christopher Ezeafulukwe signing the West Africa Power Pool Articles of Membership on behalf of Transcorp Power.



L to R, Executive Director, Transcorp Power Ltd, Okaima Ohizua; MD/CEO, Transcorp Power Ltd, Christopher Ezeafulukwe; MD/CEO, Transcorp Hotels Plc, Owen Omogiafo and Transcorp's Shareholder, Sir Sunny Nwosu pose for a picture after winning the Sectoral Leadership award at the Pearl Awards.



MD/CEO Transcorp Hotels Plc, Owen Omogiafo and the Deputy Governor of Cross River State, Prof. Ivvara Esu during her visit to the State House in Calabar.



The Leadership Team of Transcorp Power Limited alongside members of the Federal House of Representatives Committee on Privatisation during their working visit to the Ughelli Power Plant.



Transcorp President/CEO, Valentine Ozigbo on an official tour of the Ughelli Power Plant with Transcorp's Shareholders



04 Financial Statement



Ernst & Young
 10th Floor
 UBA House
 57, Marina
 P. O. Box 2442, Marina
 Lagos.

Tel: +234 (01) 631 4500
 Fax: +234 (01) 463 0481
 Email: Services@ng.ey.com
www.ey.com

Independent Auditor Report

To the Members of Transnational Corporation of Nigeria Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Transnational Corporation of Nigeria Plc (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated and separate statements of financial position as at 31 December 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Transnational Corporation of Nigeria Plc and its subsidiaries as at 31 December 2019, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

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 are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Transnational Corporation of Nigeria Plc and its subsidiaries. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Transnational Corporation of Nigeria Plc and its subsidiaries. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current year. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.



Independent Auditor Report

To the Members of Transnational Corporation of Nigeria Plc - Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

Key Audit Matter	How the matter was addressed in the audit
<p>Assessment of goodwill impairment (Consolidated financial statements)</p> <p>The Group has a material goodwill balance of ₦30.934 billion, which principally relate to the acquisitions of Transcorp Hotels Calabar Limited (THC), Transcorp Hotels Plc (THP) and Transcorp Power Limited (TPL).</p> <p>Goodwill was calculated as the difference between the purchase consideration for the interest in THC, THP, TPL and the Company's share of net assets acquired. Goodwill is allocated on the Company's cash generating unit (CGU) which are THC, THP and TPL.</p> <p>In line with the provisions of IAS 36 - Impairment of assets, goodwill should be tested for impairment annually. The Company tested goodwill for impairment and no impairment charge has been recorded against these balances in the current financial year.</p> <p>The annual impairment test is significant to our audit because the balance involved is significant to the Group and the testing process is complex and requires significant judgments made by the Directors concerning the estimated value future cash flows, associated discount rates and growth rates based on their view of future business process.</p> <p>The current economic climate also increases the complexity of forecasting. Scrutiny is placed on forecast assumptions and discount rates, with a greater focus on more recent trends and less reliance on historical trends.</p> <p>Accordingly, the impairment test of goodwill is considered a key audit matter due to the impact of the above assumptions.</p> <p>The disclosure of goodwill is set out in Note 21 of the consolidated and separate financial statements.</p>	<p>Our key audit procedures comprised the following:</p> <ul style="list-style-type: none"> • We considered the determination of the cash generating units. • We evaluated the model used in determining the value in use of the cash generating units, as well as assessing the discount rate used. • We compared the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying calculations. • We involved an EY internal valuation specialists to assist in evaluating management's key assumptions used in the impairment calculations. • We ensured the valuation is adequately disclosed in the financial statements.



Independent Auditor Report

To the Members of Transnational Corporation of Nigeria Plc - Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Chairman's Statement, Statement of Directors' Responsibility, Report of the Audit Committee, Value Added Statement and Five-Year Financial Summary as required by the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information 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 express an audit opinion or 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 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 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 for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, the provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, and the Financial Reporting Council of Nigeria Act No. 6, 2011, 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 and the Company'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 the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

Auditor 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.



Independent Auditor Report

To the Members of Transnational Corporation of Nigeria Plc - Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

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

- 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 and the Company'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 the 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 and the Company'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 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 report. However, future events or conditions may cause the Group or the Company 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 and the company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group and the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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 the Directors 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.



Independent Auditor Report

To the Members of Transnational Corporation of Nigeria Plc - Continued

Report on the Audit of the Consolidated and Separate Financial Statements - Continued

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and financial statements of the current year 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

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

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

 Yusuf Aliu, FCA
 FRC/2012/ICAN/00000000138
 Lagos, Nigeria

28 February, 2020



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

For The Year Ended 31st December 2019	Note	Group		Company	
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
Revenue	9	76,345,549	104,162,785	3,173,773	8,899,967
Cost of sales	10	(40,988,233)	(55,910,364)	-	-
Gross profit		35,357,316	48,252,421	3,173,773	8,899,967
Other operating income	11	1,605,424	997,196	1,514,144	2,040,445
Impairment (loss)/gain on financial assets		(358,910)	(926,454)	311,609	(1,254,395)
Administrative expenses	16	(14,132,392)	(13,673,839)	(1,697,556)	(2,110,587)
Operating profit		22,471,438	34,649,324	3,301,970	7,575,430
Finance cost	12	(14,865,727)	(9,578,890)	(3,882,601)	(3,455,477)
Finance income	13	675,394	499,463	1,822,032	1,585,564
Foreign exchange loss on financing activities	14	(383,481)	(3,167,810)	-	-
Profit before tax		7,897,624	22,402,087	1,241,401	5,705,517
Income tax expense	18	(4,192,560)	(1,775,420)	(506,467)	(1,094,518)
Profit for the year		3,705,064	20,626,667	734,934	4,610,999
Other comprehensive income					
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):					
Net loss on equity instruments designated at fair value through other comprehensive income		(265,544)	(1,254,839)	(265,544)	(1,254,839)
Other comprehensive income/(loss) for the year, net of tax		(265,544)	(1,254,839)	(265,544)	(1,254,839)
Total comprehensive income for the year, net of tax		3,439,520	19,371,828	469,390	3,356,160
Profit for the year attributable to:					
Equity holders of the parent		1,548,727	9,314,010	734,934	4,610,999
Non-controlling interests		2,156,337	11,312,657	-	-
		3,705,064	20,626,667	734,934	4,610,999
Total comprehensive income attributable to:					
Equity holders of the parent		1,283,183	8,059,171	469,390	3,356,160
Non-controlling interests		2,156,337	11,312,657	-	-
Other comprehensive income/(loss) for the year, net of tax		3,439,520	19,371,828	469,390	3,356,160
Earnings per share					
Basic	19	4	23	2	11
Diluted	19	4	23	2	11

The accounting policies and notes on pages 61 to 116 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	Group		Company	
		2019	2018	2019	2018
Assets		N'000	N'000	N'000	N'000
Non-current assets					
Property, plant and equipment	20	158,594,003	154,565,889	146,121	23,032
Investment properties	21	2,047,900	1,800,000	2,047,900	1,800,000
Intangible assets	22	41,168,233	40,240,192	5,075,818	5,075,818
Investment in subsidiaries	6	-	-	34,061,624	27,529,887
Financial assets	24.1	3,450,970	3,716,514	3,450,970	3,716,514
Prepayments and other assets	27	125,431	221,920	12,250	185,648
Deferred tax assets	18	78,711	3,998,817	-	-
		205,465,248	204,543,332	44,794,683	38,330,899
Current assets					
Inventories	25	4,438,996	4,811,913	-	-
Trade and other receivables	26	97,931,660	83,601,905	14,870,062	27,125,791
Prepayments and other assets	27	354,651	554,275	13,331	58,333
Cash and short term deposit	28	4,941,953	3,628,370	552,699	110,751
		107,667,260	92,596,463	15,436,092	27,294,875
Total assets		313,132,508	297,139,795	60,230,775	65,625,774
Equity					
Issued capital	29	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	29	6,249,871	6,249,871	6,249,871	6,249,871
Other Reserves		1,257,398	1,522,942	1,369,078	1,634,622
Retained earnings		39,199,021	38,869,734	8,314,715	8,799,221
Equity attributable to equity holders of the parent		67,030,286	66,966,543	36,257,660	37,007,710
Non-controlling interests		41,708,106	37,573,202	-	-
Total equity		108,738,392	104,539,745	36,257,660	37,007,710
Liabilities					
Non-current liabilities					
Interest-bearing loans and borrowings	24.2	92,222,833	57,373,723	18,542,201	13,242,511
Deposit for shares	34	2,410,000	2,410,000	-	-
Deferred income	31	1,073,534	-	-	-
Deferred tax liability	18	7,901,660	6,977,463	-	-
		103,608,027	66,761,186	18,542,201	13,242,511

	Note	Group		Company	
		2019	2018	2019	2018
Liabilities		N'000	N'000	N'000	N'000
Current liabilities					
Contract liabilities	32	32,327	29,499	-	-
Trade and other payables	33	77,373,212	68,564,916	4,623,491	3,054,475
Interest-bearing loans and borrowings	24.2	21,633,309	54,174,104	577,995	12,075,980
Deferred income	31	208,442	-	-	-
Income tax payable	18	1,538,799	3,070,345	229,428	245,098
		100,786,089	125,838,864	5,430,914	15,375,553
Total liabilities		204,394,116	192,600,050	23,973,115	28,618,064
Total equity and liabilities		313,132,508	297,139,795	60,230,775	65,625,774

The accounting policies and notes on pages 61 to 116 form an integral part of these financial statements.

The financial statements on pages 54 to 116 were approved and authorised for issue by the board of directors on 28 February 2020 and signed on its behalf by;

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

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

Valentine Ozigbo
FRC/2013/ICAN/00000005347
President/Chief Executive Officer

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

The Group	Issued capital	Share premium	Other	Retained	Total	Non-controlling	Total equity
	(Note 29)	(Note 29)	reserves	earnings		interests	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2019	20,323,996	6,249,871	1,522,942	38,869,734	66,966,543	37,573,202	104,539,745
Profit for the year	-	-	-	1,548,727	1,548,727	2,156,337	3,705,064
Other comprehensive income	-	-	(265,544)	-	(265,544)	-	(265,544)
	20,323,996	6,249,871	1,257,398	40,418,461	68,249,726	39,729,539	107,979,265
Dividend (Note 30)	-	-	-	(1,219,440)	(1,219,440)	(2,722,587)	(3,942,027)
Right issue	-	-	-	-	-	4,701,154	4,701,154
At 31 December 2019	20,323,996	6,249,871	1,257,398	39,199,021	67,030,286	41,708,106	108,738,392

FOR THE YEAR ENDED 31 DECEMBER 2018

	Issued capital	Share premium	Other	Retained	Total	Non-controlling	Total equity
	(Note 29)	(Note 29)	reserves	earnings		interests	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
As at 1 January 2018	20,323,996	6,249,871	2,777,781	31,961,979	61,313,627	34,394,170	95,707,797
Effect of adoption of IFRS 9	-	-	-	(1,593,295)	(1,593,295)	-	(1,593,295)
As at 1 January 2018 (restated)	20,323,996	6,249,871	2,777,781	30,368,684	59,720,332	34,394,170	94,114,502
Profit for the year	-	-	-	9,314,010	9,314,010	11,312,657	20,626,667
Other comprehensive income	-	-	(1,254,839)	-	(1,254,839)	-	(1,254,839)
	20,323,996	6,249,871	1,522,942	39,682,694	67,779,503	45,706,827	113,486,330
Dividend (Note 30)	-	-	-	(812,960)	(812,960)	(8,133,625)	(8,946,585)
At 31 December 2018	20,323,996	6,249,871	1,522,942	38,869,734	66,966,543	37,573,202	104,539,745

Other reserves relates to gains and losses from financial asset on fair value through other comprehensive income (OCI). This is a non distributable reserve. The accounting policies and notes on pages 61 to 116 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

The Company

	Issued capital (Note 29)	Share premium (Note 29)	Other reserves	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000
As at 1 January 2019	20,323,996	6,249,871	1,634,622	8,799,221	37,007,710
Profit for the year	-	-	-	734,934	734,934
Other comprehensive income	-	-	(265,544)	-	(265,544)
	20,323,996	6,249,871	1,369,078	9,534,155	37,477,100
Dividend (Note 30)	-	-	-	(1,219,440)	(1,219,440)
At 31 December 2019	20,323,996	6,249,871	1,369,078	8,314,715	36,257,660

FOR THE YEAR ENDED 31 DECEMBER 2018

	Issued capital (Note 29)	Share premium (Note 29)	Other reserves	Retained earnings	Total equity
	N'000	N'000	N'000	N'000	N'000
As at 1 January 2018	20,323,996	6,249,871	2,889,461	6,143,818	35,607,146
Effect of adoption of IFRS 9	-	-	-	(1,142,636)	(1,142,636)
As at 1 January 2018 (restated)	20,323,996	6,249,871	2,889,461	5,001,182	34,464,510
Profit for the year	-	-	-	4,610,999	4,610,999
Other comprehensive income	-	-	(1,254,839)	-	(1,254,839)
	20,323,996	6,249,871	1,634,622	9,612,181	37,820,670
Dividend (Note 30)	-	-	-	(812,960)	(812,960)
At 31 December 2018	20,323,996	6,249,871	1,634,622	8,799,221	37,007,710

Other reserves relates to gains and losses from financial asset on fair value through other comprehensive income (OCI). This is a non distributable reserve.

The accounting policies and notes on pages 61 to 116 form an integral part of these financial statements.

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS

	Note	Group		Company	
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
Profit before tax		7,897,624	22,402,087	1,241,401	5,705,517
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	20	4,599,435	3,598,378	65,644	7,295
Write off of property, plant and equipment		-	618	-	-
Amortisation of intangible assets	22	23,075	32,456	-	-
Increase in fair value of investment properties	21	(247,900)	(93,400)	(247,900)	(93,400)
Deferred income	31	(170,854)	-	-	-
Net foreign exchange differences		329,727	2,776,929	-	-
Dividend income on equity securities		(369,137)	(368,000)	(369,137)	(368,000)
Impairment allowance on financial assets		358,910	926,454	(311,609)	1,254,395
Loss/(gain) on disposal of property, plant and equipment		112,449	32,870	-	-
Finance cost	12	14,865,727	9,578,890	3,882,601	3,455,477
Finance income	13	(675,394)	(499,463)	(1,822,032)	(1,585,564)
Working capital adjustments:					
Increase/(decrease) in trade & other receivables		(14,684,228)	(2,648,392)	6,040,038	(6,857,633)
Decrease/(increase) in prepayments and other assets		117,108	(350,385)	39,395	544,716
Decrease/(increase) in inventories		372,917	(165,304)	-	-
Decrease/(increase) in contract liabilities		2,828	(6,165)	-	-
Increase/(decrease) in trade and other payables		13,736,400	3,241,263	1,251,639	(3,412,821)
		26,268,687	38,458,836	9,770,040	(1,350,018)
Interest paid	24.2	(9,620,857)	(14,912,269)	(3,882,601)	(3,448,466)
Interest received	13	675,394	499,463	1,822,032	1,585,564
Income tax paid	18	(879,803)	(960,711)	(204,760)	(184,438)
Net cash flows from/(used in) operating activities		16,443,421	23,085,319	7,504,711	(3,397,358)
Investing activities					
Dividend income on equity securities	11	369,137	368,000	369,137	368,000
Proceeds from sale of property, plant and equipment		15,141	132,902	381	40
Purchase of intangible asset	22	(951,116)	(755,308)	-	-
Purchase of property, plant and equipment	20	(7,171,775)	(11,161,687)	(10,109)	(12,028)
Net cash flows (used in)/from investing activities		(7,738,613)	(11,416,093)	359,409	356,012

	Note	Group		Company	
		2019	2018	2019	2018
		N'000	N'000	N'000	N'000
Financing activities					
Proceeds from borrowings and deferred income	7	79,156,426	15,347,750	-	5,224,555
Repayment of borrowings	7	(82,427,991)	(19,067,066)	(6,198,295)	(1,598,011)
Dividends paid	7	(4,168,977)	(10,309,242)	(1,219,440)	(812,960)
Net cash flows (used in)/from financing activities		(7,440,542)	(14,028,558)	(7,417,735)	2,813,584
Net increase in cash and cash equivalents		1,264,266	(2,359,332)	446,385	(227,762)
Net foreign exchange difference		53,754	390,881	-	-
Cash and cash equivalents at 1 January		3,629,831	5,598,282	112,212	339,974
Cash and cash equivalents at 31 December	28	4,947,851	3,629,831	558,597	112,212

The accounting policies and notes on pages 61 to 116 form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. Corporate information

The consolidated financial statements of Transnational Corporation of Nigeria Plc and its subsidiaries (collectively, the Group) for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Directors on 28 February 2020. Transnational Corporation of Nigeria Plc (the Company or the parent) is a private limited company incorporated under the Companies and Allied Matters Act on 16 November 2004, domiciled in Nigeria and whose shares are publicly traded. The registered office is located at 38 Glover Road, Ikoyi, Lagos, Nigeria.

The Group is principally engaged in the power, agro-allied, oil & gas and hospitality industry; rendering of hotel services by providing luxury accommodation, exotic cuisines, fully equipped meeting rooms and leisure facilities to business travellers and tourists from all over the world. Information on the Group's structure is provided in Note 6. Information on other related party relationships of the Group is provided in Note 36.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in compliance with the Companies and Allied Matters Act (CAMA) and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and equity financial assets that have been measured at fair value. The consolidated financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The consolidated financial statements provide comparative information in respect of the previous period.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period Or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period
- Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Fair value measurement

The Group measures financial instruments such as equity financial assets, and non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the measurement is directly or indirectly observable lowest level input that is significant to the fair value
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Management determines the procedures for both recurring fair value measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by management after discussion with and approval by the Board. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated after a periodic assessment on the need to change valuers are carried out. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are

disclosed, are summarised in the following notes:

- | | |
|--|---------|
| • Disclosures for valuation methods, significant estimates and assumptions | Note 21 |
| • Quantitative disclosures of fair value measurement hierarchy | Note 8 |
| • Investment properties | Note 21 |
| • Financial instruments (including those carried at amortised cost) | Note 24 |

d) Revenue from contracts with customers

The Group is principally engaged in the power, agro-allied, oil & gas and hospitality industry; rendering of hotel services by providing luxury accommodation, exotic cuisines, fully equipped meeting rooms and leisure facilities to business travellers and tourists from all over the world.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group has applied the practical expedient in IFRS 15 to a portfolio of contracts (or performance obligations) with similar characteristics since the Group reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

At contract inception, the Group assesses the goods or services promised to a customer and identifies as a performance obligation each promise to transfer to the customer either:

- a good or service (or a bundle of goods or services) that is distinct;
Or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In arriving at the performance obligations, the Group assessed the goods and services as capable of being distinct and as distinct within the context of the contract after considering the following:

- If the customer can benefit from the individual good or service on its own;
- If the customer can use the good or service with other readily available resources; service on its own;
- If multiple promised goods or services work together to deliver a combined output(s); and
- Whether the good or service is integrated with, highly interdependent on, highly interrelated with, or significantly modifying or customising, other promised goods or services in the contract.

Rooms

Contract for the rendering of service by providing a room for an agreed period begins on performance which is when a customer check-in.

The Group recognises revenue from the provision of room over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an output method in measuring progress for the provision of room because time elapsed faithfully depict the entity's performance towards complete satisfaction of the performance obligation. The normal credit term is 30 to 90 days upon check-in.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any).

i. Significant financing component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since the Group expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

ii. Customer options that provide a material right

The Group provides its corporate customers a volume-tiered pricing structure. This structure allows customers to acquire more rooms at reduced prices if they fully occupy their requested number of reserved rooms in the previous year.

The Group recognises the material right as a separate performance obligation that is satisfied over time. The Group allocates a portion of the transaction price based on the relative stand-alone selling price basis to the performance obligation by determining the likelihood of occurrence and multiplying it by the augmented discount that represents the material right.

The Group will recognize the revenue allocated to the material right when (or as) the option is exercised (and the underlying future goods or services are transferred) or when the option expires. This would be when the contract is either renewed or the renewal option expires.

iii. Allocating discounts

The Group allocates a variable amount (and subsequent changes to that amount) entirely to a performance obligation or to a distinct good or service that forms part of a single performance obligation if both of the following criteria are met:

- The terms of a variable payment relate specifically to the Group's efforts to satisfy the performance obligation or transfer the distinct good or service (or to a specific outcome from satisfying the performance obligation or transferring the distinct good or service); and
- Allocating the variable amount of consideration entirely to the performance obligation or the distinct good or service is consistent with the allocation objective in IFRS 15:73 when considering all the performance obligations and payment terms in the contract.

Food and beverages

The Group sells food and beverages to hotel guests and visitors. A flat rate service charge is included in the consideration expected from the customer. The Group recognises revenue from the sale of food and beverages at a point in time when control of the food and beverage is transferred to the customer.

Energy and capacity charge

Capacity charge is recognized monthly based on the average of available capacity declared at the beginning of the month. Revenue from energy sent out is calculated on the basis of megawatts of electricity pushed to the transmission grid. The capacity charge and energy sent out are included in revenue reported in the and loss account.

Contract for the sale of electric power begins on performance and revenue is recognised overtime using an output method to measure progress towards completion of the service because the customer simultaneously receives and consumes the benefits provided by the Group.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of electric power, the Company considers the existence of significant financing components and consideration payable to the customer (if any).

Ancillary services

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.

The Group recognises revenue from ancillary services overtime as control is transferred.

Other services

The Group generates revenue from other streams such as fitness club, laundry services, business centre, valet services. Revenue from rendering these services is recognised over time. Using an output method in measuring progress for the provision of the amenities because time elapsed faithfully depict the entity's performance towards complete satisfaction of the performance obligation. The normal credit term is 30 days upon check-in.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Security deposit

The Group receives a refundable deposit from customers. The refundable deposit is called a security deposit and the deposit is used

to recoup unpaid balances owed by the customer. However, if the customer does not have unpaid balances, the security deposit is refunded to the customer.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Value added tax (VAT)

Expenses and assets are recognised net of the amount of Value added tax (VAT), except:

- When the Value added tax (VAT) incurred on a purchase of asset or service is not recoverable from the taxation authority, in which case, the Value added tax (VAT) is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of Value added tax (VAT) included. The net amount of value added tax recoverable from, or payable to the taxation authority is included as part of receivables or payables in the statement of financial position.

f) Foreign currencies

The Group's consolidated financial statements are presented in Naira, which is also the parent company's functional currency. For each entity, the Group determines the functional currency; and items included in the financial statements of each entity are measured using

that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates, at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

g) Cash dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Nigeria, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

h) Property, plant and equipment

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Other property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the motor vehicle, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of motor vehicle and plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Refer to significant accounting judgements, estimates and assumptions (Note 3).

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Freehold Land	Not depreciated
Building	50 years
Plant & Machinery	10 to 50 years
Motor Vehicle	4 to 5 years
Computer and Office Equipment	3 to 10 years
Furniture & Fittings	5 to 10 years
Leasehold improvement	5 to 10 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for its lease. The Group recognises lease liabilities to make lease payments and right-of-use asset representing the right to use the underlying asset.

Group as a lessee

The Group applies a single recognition and measurement approach for its lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets

- **Right-of-use assets**

The Group recognises right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as shown below:

Office buildings	5 Years
------------------	---------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of non-financial assets.

- **Lease Liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Prior year accounting policy on leases

i) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in profit or loss on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating

leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

k) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

If an entity owns property that is leased to, and occupied by, another entity in the same group, the property does not qualify as investment property in the consolidated financial statements that include both entities. This is because the property is owner-occupied from the perspective of the group as a whole. However, from the perspective of the individual entity that owns it, the property is investment property.

l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

Goodwill with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Computer software

Computer software acquisition costs recognised as assets are amortised over their estimated useful lives from the point at which the asset is ready for use. The estimated useful lives of the software of the group is between three to eight years.

Research and development

Research costs are charged to expense as incurred.

Development expenses are capitalised when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its ability to use or sell the intangible asset;
- The technical feasibility of the project and the availability of the adequate resources for the completion of the intangible asset;
- The ability of the asset to generate probable future economic benefits;
- The ability to measure reliably the expenditures attributable to the asset; and
- The feasibility and intention of the Group to complete the intangible asset and use or sell it.

Advertising, training and start-up costs are charged to expense as when incurred. Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually.

Oil and natural gas exploration & evaluation, appraisal and development expenditure

The Group applies IFRS 6 "Exploration for and Evaluation of Mineral Resources" for exploration and evaluation costs. Oil and natural gas properties and expenditures; and Exploration and Evaluation assets are accounted for in accordance with the successful effort method of accounting (SEM).

Pre- license costs

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

License acquisition costs

Exploration license acquisition costs are capitalized within intangible assets and 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 sufficient progress is being made on establishing development plans and timing.

If no future activity is planned, the carrying value of the license and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and natural gas properties. License costs paid in connection with a right to explore in an existing exploration area are capitalized and amortized over the term of the permit.

Acquisition of producing assets

Upon acquisition of producing assets, where the Group does not have control, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The purchase price paid for the group of assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

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 capitalized 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 and fuel used, rig costs and payments made to contractors. Geological and geophysical costs are recognized in profit or loss as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible asset while sufficient or 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 capitalized as an intangible asset. All such capitalized 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 profit or loss. When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil and natural gas properties.

No amortization is charged during the exploration and evaluation phase. 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 in the profit or loss.

Development expenditures

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells is capitalised within oil and natural gas properties. Farmouts in the exploration and evaluation phase The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but re-designates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal. Farmouts—outside the exploration and evaluation phase.

In accounting for a farmout arrangement the Group:

- Derecognises the proportion of the asset that it has sold to the farmee;
- Recognises the consideration received or receivable from the farmee, which represents the farmee's obligation to fund the capital expenditure in relation to the interest retained by the farmor;
- Recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is only recognised when the value of the consideration can be determined reliably. If not, then the Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets;
- Tests the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired.

Farmouts in the exploration and evaluation phase

The consideration receivable on disposal of an item of property, plant and equipment or an intangible asset is recognized initially at its fair value by the Group. However, if payment for the item is deferred, the consideration received is recognized initially at the cash price equivalent. The difference between the nominal amount of the consideration and the cash price equivalent is recognized as interest income. Any part of the consideration that is receivable in the form of cash is treated as a definition of a financial asset and is accounted for at amortized cost.

m) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified at initial recognition as, amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group's financial assets includes financial assets at amortised cost and financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and receivables from other related parties.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by- instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
- Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 3
- Trade receivables Note 26

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the

debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 24.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Direct materials: purchase cost on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

o) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 3
- Property, plant and equipment Note 20
- Intangible assets Note 22
- Goodwill Note 23

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

p) Cash and short-term deposit

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

r) Pension and other post-employment benefits

i) Defined contribution scheme - pension

The Group operates a defined contribution plan for its staff in accordance with the provisions of the Pension Reform Act 2014 as amended. This plan is in proportion to the services rendered to the Group by the employees with no further obligation on the part of the Group.

Each employee contributes 8% of annual earnings (basic pay, transport and housing), while the employer contributes 10% to the scheme. Staff contributions to the plan are funded through payroll deductions while the Group's contribution is recorded as employee benefit expense in profit or loss.

The Group does not have any legal or constructive obligation to pay further amounts if the plan asset is not sufficient to fund the obligation.

ii) Profit-sharing and bonus plan

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 in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

s) Deferred income

Deferred income are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.4 Changes in accounting policies and disclosures

a) New and amended standards and interpretations

The Group applied IFRS 16 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

i) IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

The effect of adoption of IFRS 16 as at 1 January 2019 (increase/(decrease)) is, as follows:

	N'000
Assets	
Property, Plant and Equipment (right-of-use assets)	179,005
Prepayments	<u>(179,005)</u>
Total Assets	<u>-</u>

The Group has lease contract for office building. Before the adoption of IFRS 16, the Group classified its lease (as lessee) at the inception date as an operating lease.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- **Leases previously accounted for as operating leases**

The Group recognised right-of-use asset for the lease previously classified as operating lease. The right-of-use asset for the lease were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Based on the above, as at 1 January 2019:

Right-of-use assets of N179,005,000 were recognised and presented with property, plant and equipment in the statement of financial position.

Prepayments of N179,005,000 related to previous operating leases were derecognised. There was no adjustment to retained earnings.

ii) IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 Income Taxes. It does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its consolidated financial statements.

Upon adoption of the Interpretation, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Company's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Interpretation did not have an impact on the consolidated financial statements of the Group.

iii) Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

iv) Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

v) Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in associates and joint ventures.

Other amendments and interpretations relating to annual improvements 2015-2017 cycle, but do not have an impact on the financial

statements of the Group are listed below:

- IFRS 3 Business Combinations
- IAS 23 Borrowing Costs
- IAS 12 Income Taxes
- IFRS 11 Joint Arrangements

b) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

• Interest Rate Benchmark Reform – Amendments to IFRS 9, IAS 39 and IFRS 7

In September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7, which concludes phase one of its work to respond to the effects of Interbank Offered Rates (IBOR) reform on financial reporting.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk-free

The amendments must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight. Early application is permitted and must be disclosed. The Group will not be affected by these amendments on the date of transition. Effective for annual periods beginning on or after 1 January 2020.

• The Conceptual Framework for Financial Reporting

Effective immediately for the IASB and the IFRS IC. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts

override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The changes to the Conceptual Framework may affect the application of IFRS in situations where no standard applies to a particular transaction or event. Thus, no impact to the Group.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires Management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 5
- Financial instruments risk management and policies Note 7
- Sensitivity analyses disclosures Note 7

Judgements

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements).

The Group included the renewal period as part of the lease term for leases of Office building with shorter non-cancellable period (i.e., less than two years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Property lease classification – Group as lessor

The Group has entered into land property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the land property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Determining the timing of satisfaction

The Group concluded that revenue from energy and capacity supplied, rooms and other services will be recognised overtime because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

The Group has determined that the output method is the best method in measuring progress rendering the services to the customer. The Output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

In addition, the Group determined that the output method is the best method in measuring progress of the energy and capacity supplied because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Group's performance completed to date.

The Group has assessed that there is a direct relationship between the Group's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

The Group concluded that revenue from selling food and beverages is to be recognised at a point in time because sales of food and beverage do not meet the requirements of being satisfied overtime. The Group has assessed that a customer obtains control of the food and beverage when:

- The Group has a present right to payment for the food and beverage;
- The Group has transferred physical possession of the food and beverage to the Customer;
- The customer has the significant risks and rewards of the food and beverage; and
- The customer has accepted the asset.

The Group has assessed that revenue earned from service charge will be satisfied as the Host good or service is being satisfied.

For rooms and other services: revenue earned from service charge levied on rooms and other services will be recognised over time, in line with how revenue from rooms and other services is being recognised.

For food and beverage: revenue earned from service charge levied on food and beverage will be recognised at a point in time, in line with the how revenue from food and beverage is being recognised.

Principal versus agent considerations: Hilton Honours- customer loyalty program

The Group participates in the Hilton Honours customer loyalty program. The loyalty program allows a customer to earn points for nights spent in the Hotel. On accumulating sufficient points, the customer earns a discount that can be used at any Hilton Hotel worldwide. The Group determined that it acts as an agent in the transaction through assessing the following:

- The Group is not primarily responsible for fulfilling the promise to provide the specified benefit arising from earning loyalty points.
- The Group has no control of loyalty program
- The Group does not determine the cash value of the points earned by customers

Estimates and assumptions

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based depreciated replacement cost and comparative method of valuation was used to arrive at the fair value of the land. The Group engaged an independent valuation specialist to assess fair values as at 31 December 2019 for the investment properties.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 21.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 23.

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 7.

Measurement of the expected credit loss allowance for financial asset

The measurement of the expected credit loss allowance for financial assets measured at amortised cost (due from related companies) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 7, which also sets out key sensitivities of the ECL to changes in these elements.

Impairment of non-financial assets

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

4. Segment information

For management purposes, the Group is organised into business units based on its products and services and has five reportable segments, as follows:

• 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.

• Power

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

• Oil & Gas

Oil & Gas business relates to two subsidiaries 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.

• Agriculture

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

• Corporate Centre

Corporate Centre relates to the parent company, Transnational Corporation of Nigeria Plc and the other non-operational subsidiaries. The Board is the Chief Operating Decision Maker (CODM) and monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Segments

For the year ended 31 December 2019

	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue								
External customers	20,404,533	-	-	55,941,016	-	76,345,549	-	76,345,549
Inter-segment	-	-	-	-	3,173,773	3,173,773	(3,173,773)	-
Total revenue	20,404,533	-	-	55,941,016	3,173,773	79,519,322	(3,173,773)	76,345,549

Segments

For the year ended 31 December 2019

Income/expenses	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Finance income	104,700	-	-	176,563	1,822,032	2,103,294	(1,427,900)	675,394
Finance cost	4,302,948	-	-	8,108,078	3,882,601	16,293,627	(1,427,900)	14,865,727
Depreciation and amortisation	1,839,453	96	116,962	2,577,280	65,644	4,599,435	-	4,599,435
Employee benefits expenses	3,523,226	-	8,336	3,211,421	422,166	7,165,149	-	7,165,149
Segment profit /(loss)	613,750	(37,477)	(171,837)	4,110,925	469,390	4,984,751	(1,545,231)	3,439,520
Total assets	114,746,269	6,641,268	10	161,773,409	144,663	283,305,619	29,826,889	313,132,508
Total liabilities	57,203,345	7,281,899	352,954	129,203,058	303,649	194,344,905	10,049,211	204,394,116

Segments For the year ended 31 December 2018

	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue								
External customers	17,424,966	-	-	86,737,819	-	104,162,785	-	104,162,785
Inter-segment	-	-	-	-	8,899,967	8,899,967	(8,899,967)	-
Total revenue	17,424,966	-	-	86,737,819	8,899,967	113,062,752	(8,899,967)	104,162,785

Segments For the year ended 31 December 2018

Income/expenses	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Finance income	12,190	-	-	62,110	1,585,564	1,659,864	(1,160,401)	499,463
Finance cost	-	-	-	7,283,815	3,455,477	10,739,292	(1,160,402)	9,578,890
Depreciation and amortisation	996,099	-	82,456	2,512,528	7,295	3,598,378	-	3,598,378
Employee benefits expenses	1,544,886	-	6,066	2,230,419	449,478	4,230,849	-	4,230,849
Segment profit /(loss)	3,713,699	(128,702)	(67,096)	21,401,849	3,356,160	28,275,910	(8,904,082)	19,371,828
Total assets	111,277,579	2,412,695	(302,955)	150,380,241	65,908,569	329,676,129	(32,536,334)	297,139,795
Total liabilities	53,816,376	2,858,493	1,182,491	127,789,367	29,379,556	215,026,283	(22,426,233)	192,600,050

Revenue from transactions with Inter-segment relates to dividend income from Transcorp Hotels Plc and Transcorp Power Limited to the Company, Transnational Corporation of Nigeria Plc.

Adjustments and eliminations

Finance costs, finance income, other income are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues are eliminated on consolidation.

Reconciliation of profit	Group	
	2019	2018
	N'000	N'000
Segment profit	4,984,751	28,275,910
Finance income	(1,427,900)	(1,160,401)
Finance costs	1,427,900	1,160,402
Inter-segment sales (elimination)	(3,173,773)	(8,899,967)
Administrative expenses	1,628,542	(4,116)
(Loss)/Profit	3,439,520	19,371,828

5. Capital management

For the purpose of the Group's capital management, capital includes issued capital, share premium and retained earnings attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 50% and 70%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings (Note 24)	113,856,142	111,547,827	19,120,196	25,318,491
Trade and other payables (Note 33)	77,373,212	68,564,916	4,623,491	3,054,475
Less: cash and short term deposit (Note 28)	(4,941,953)	(3,628,370)	(552,699)	(110,751)
Net debt	186,287,401	176,484,373	23,190,988	28,262,215
Total capital: Equity	108,738,392	104,539,745	36,257,660	37,007,710
Capital and net debt	295,025,793	281,024,118	59,448,648	65,269,925
Gearing ratio	63%	63%	39%	43%

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2019 and 2018.

6. Group information

The consolidated financial statements of the Group include:

Name	Principal activities	% equity interest	
		2019	2018
Transcorp Hotels Plc	Hospitality services	83	83
Transcorp Properties Limited	Building	100	100
Transcorp Power Limited	Power generation	51	50
Transcorp OPL 281 Nigeria Limited	Exploration, refining and marketing of petroleum products	100	100
Transcorp Energy Limited	Exploration of petroleum products	100	100
Teragro Commodities Limited	Growing and processing of food and cash crops.	100	100
Transcorp Refining Company Limited	Oil and gas exploration, refining and marketing	100	100
Transcorp Trading and Logistics Limited	General maritime operations	100	100
Transcorp Telecomms Limited	Communication services	100	100

Transcorp Hotels Plc investment in subsidiary includes:

Transcorp Hotels Calabar Limited	Hospitality services	100	100
Transcorp Hotels Port Harcourt Limited	Hospitality services	100	100
Transcorp Hotels Ikoyi Limited	Hospitality services	58	58

Other details on investment in subsidiaries

Name	Country of incorporation	2019	2018
		N'000	N'000
Transcorp Hotels Plc	Nigeria	19,618,523	19,618,523
Transcorp Properties Limited	Nigeria	10,000	10,000
Transcorp Power Limited	Nigeria	14,392,201	7,860,464
Transcorp OPL 281 Nigeria Limited	Nigeria	500	500
Transcorp Energy Limited	Nigeria	9,900	9,900
Teragro Commodities Limited	Nigeria	9,500	9,500
Transcorp Refining Company Limited	Nigeria	1,000	1,000
Transcorp Trading and Logistics Limited	Nigeria	10,000	10,000
Transcorp Telecomms Limited	Nigeria	10,000	10,000
		34,061,624	27,529,887

Movement in investment in subsidiaries

	2019	2018
	N'000	N'000
As at 1 January	27,529,887	27,529,887
Additional investment during the year	6,531,737	-
	34,061,624	27,529,887

Details of additional investment during the year

At the Board meeting held on November 26, 2019, the Directors of Transcorp Power Limited (TPL) authorised the issue of 8,820,204 units of Ordinary shares in the Share Capital of Transcorp Power Limited on the basis of two (2) for every fifteen (15) Ordinary Shares of 50 Kobo each held by the existing shareholders of the Company. Subsequently, the Board approved the issue of 7,585,375 units of Ordinary shares in the Share Capital of the Company on the basis of two (2) for every fifteen (15) Ordinary Shares of 50 Kobo and additional 415,259

units of Ordinary Shares on the basis of one (1) for every one hundred and thirty-seven (137) Ordinary Shares of 50 Kobo each held by the existing shareholders of the Company by way of a Rights Issue. The basis of the Group's additional shares in TPL is disclosed below:

	No. of additional shares	N'000
2 for 15 rights issue at issue price of NGN 1,404	4,410,769	6,192,720
1 for 137 rights issue at issue price of NGN 1,404	241,465	339,017
		6,531,737

Dormant entities

Transcorp Trading and Logistics Limited is dormant and is undergoing winding up proceedings. The subsidiaries to be wound up has no assets, liabilities, income or expenses as this subsidiary was incorporated but no further activities were performed. Hence there are no assets held for sale and no income or expenses from discontinued operations.

Material partly-owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	2019	2018
Transcorp Hotels Plc	Nigeria	17%	17%
Transcorp Power Limited	Nigeria	49%	50%

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit or loss:

	Transcorp Hotels Plc - Group		Transcorp Power Limited	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Revenue from contracts with customers	20,404,533	17,424,966	55,941,017	86,737,819
Cost of sales	(5,076,210)	(4,536,148)	(34,114,025)	(50,990,774)
Administrative expenses	(10,411,128)	(8,430,763)	(4,482,386)	(4,447,084)
Impairment (loss)/gain on financial assets	(55,191)	44,864	(270,539)	(274,704)
other operating income	460,478	526,472	914,654	115,041
Finance costs	(4,302,948)	-	(8,905,429)	(10,451,624)
Finance income	104,699	12,190	176,564	62,110
Profit before tax	1,124,233	5,041,581	9,259,856	20,750,784
Income tax	(510,497)	(1,327,885)	(5,148,931)	651,058
Profit for the year	613,736	3,713,696	4,110,925	21,401,842
Total comprehensive income	613,736	3,713,696	4,110,925	21,401,842
Attributable to non-controlling interests	104,335	631,328	2,054,884	10,698,783

Summarised statement of financial position as at 31 December

	Transcorp Hotels Plc - Group		Transcorp Power Limited	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Inventories and other current assets	5,969,707	5,832,857	100,315,140	83,849,596
Property, plant and equipment and other non-current assets	108,776,562	105,444,729	62,542,578	66,530,639
Contract liabilities and other current liabilities	(22,553,877)	(21,653,941)	(81,265,989)	(91,625,173)
Interest-bearing loans and borrowing and deferred tax liabilities	(34,649,473)	(32,162,436)	(49,021,377)	(36,164,194)
Profit for the year	613,736	3,713,696	4,110,925	21,401,842
Total equity	57,542,919	57,461,209	32,570,352	22,590,868
Attributable to:				
Equity holders of parent	47,760,622	47,692,803	14,624,088	10,143,300
Non-controlling interest	9,782,296	9,768,406	17,946,264	12,447,568

Summarised cash flow information for year ended 31 December:

	Transcorp Hotels Plc - Group		Transcorp Power Limited	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Operating	6,633,436	10,496,822	5,759,013	20,613,846
Investing	(3,701,375)	(9,050,487)	(3,406,051)	(1,824,597)
Financing	(3,392,617)	(3,479,724)	(1,050,013)	(19,699,648)
Net (decrease)/ increase in cash and cash equivalents	(460,556)	(2,033,389)	1,302,949	(910,399)

7. Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and bank balances that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits and loans and borrowings.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is been reduced since the Group's long-term debt obligations are fixed interest rates.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market. Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flows.

This is generally carried out at each of the respective companies of the Group in accordance with practice and limits set by the Group. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans

Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign Currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Group - 2019	Change in USD rate	Effect on profit before tax	Change in GBP rate	Effect on profit before tax
		N'000		N'000
	2%	490,487	5%	1,425
	(-2%)	(490,487)	(-5%)	(1,425)

Group - 2018	Change in USD rate	Effect on profit before tax	Change in GBP rate	Effect on profit before tax
		N'000		
	2%	(719,640)	10%	3,908
	(-2%)	719,640	(-10%)	(3,908)

Company - 2019	Change in USD rate	Effect on profit before tax
		N'000
	2%	68
	(-2%)	(68)

Company - 2018	Change in USD rate	Effect on profit before tax †
		N'000
	2%	33
	(-2%)	(33)

This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the reporting date. The Group's sensitivity to foreign currency has increased during the current year mainly due to the additional loans and borrowing denominated in USD. In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Equity price risk

The Group's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments at fair value listed on the Nigeria Stock Exchange (NSE) was N3,450,970,000 (2018: N3,716,514,000). Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the NSE market index, the Group has determined that an increase/(decrease) of 5% on the NSE market index could have an impact of

approximately N172,548,500 (2018: N185,825,700) increase/(decrease) on the income and equity attributable to the Group.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Risk management

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

7a. Impairment of Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 26. The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

Trade receivables						
Group	Days past due					Total
	Current	<30 days	30–60 days	61–90 days	>91 days	
31-Dec-19						
Expected credit loss	0.7%	2.2%	2.3%	2.4%	2.6%	
Estimated total gross						
Carrying amount at default	8,640,031	6,481,615	12,484,549	3,908,462	64,476,312	95,990,969
Expected credit loss	60,601	144,354	286,224	92,813	1,671,585	2,255,577
31-Dec-18						
	N'000	N'000	N'000	N'000	N'000	N'000
Expected credit loss	1.9%	0.8%	1.4%	2.6%	5.8%	
Estimated total gross						
Carrying amount at default	225,099	12,972,618	2,016,023	4,733,701	60,877,865	80,825,307
Expected credit loss	4,178	97,400	29,156	122,499	3,511,727	3,764,960

Set out below is the movement in the allowance for expected credit losses of trade receivables:

Group	2019	2018
	N'000	N'000
As at 1 January	3,764,960	2,835,130
Provision for expected credit losses	405,826	929,830
Write-off	(1,915,209)	-
Balance at 31 December	2,255,577	3,764,960

7b. Expected credit loss measurement - other financial assets

The Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2018 and 31 December 2019.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term

Group and Company

31 December, 2019

Key drivers	ECL Scenario	Assigned Probabilities	2020	2021	2022
Oil Price	Upturn	10%	55.61	57.07	57.07
	Base	80%	53.50	54.96	54.96
	Downturn	10%	51.18	52.64	52.64
Unemployment rate	Upturn	10%	0.26	0.26	0.26
	Base	80%	0.34	0.34	0.34
	Downturn	10%	0.36	0.36	0.36
Inflation rate	Upturn	10%	0.11	0.11	0.11
	Base	80%	0.12	0.12	0.12
	Downturn	10%	0.12	0.12	0.12

Group and Company

31 December, 2018

Key drivers	ECL Scenario	Assigned Probabilities	2019	2020	2021
Oil Price %					
	Upturn	11%	56.00	59.00	62.00
	Base	80%	55.00	57.00	62.00
	Downturn	9%	44.00	41.00	38.00
Unemployment rate					
	Upturn	11%	0.26	0.26	0.26
	Base	80%	0.33	0.34	0.34
	Downturn	9%	0.36	0.36	0.36
Inflation rate %					
	Upturn	11%	26.00	24.00	22.00
	Base	80%	31.00	32.00	33.00
	Downturn	9%	34.00	36.00	38.00

The following tables outline the impact of multiple scenarios on the allowance:

31-Dec-19	Group			Company		
	Short-term deposits	Other receivables	Total	Short-term deposits	Intercompany and other receivables	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Upside (10%)	590	-	590	590	360,650	361,240
Base (80%)	4,718	-	4,718	4,718	2,885,198	2,889,917
Downturn (10%)	590	-	590	590	360,650	361,240
Total	5,898	-	5,898	5,898	3,606,498	3,612,396

31-Dec-18	Group			Company		
	Short-term deposits	Loan receivables	Total	Short-term deposits	Intercompany and other receivables	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Upside (11%)	156	6,093	6,249	156	319,741	319,896
Base (80%)	1,162	40,038	41,200	1,162	3,256,305	3,257,467
Downturn(9%)	144	5,222	5,366	144	295,145	295,289
Total	1,461	51,353	52,814	1,461	3,871,191	3,872,652

An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	Group				Company			
	Other receivables		Short-term deposits		Intercompany and other receivables		Short-term deposits	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	Stage 1	Stage 1	Stage 1	Stage 1	Stage 1	Stage 1	Stage 1	Stage 1
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount as at 1 January	6,592,911	5,101,911	1,376,959	-	31,048,335	24,199,077	102,959	-
Additions	2,396,643	1,491,000	350,157	1,376,959	-	6,849,258	441,680	102,959
Asset derecognised or repaid (excluding write offs)	-	-	-	-	(12,571,775)	-	-	-
At 31 December	4,196,268	6,592,911	1,727,116	1,376,959	18,476,560	31,048,335	544,639	102,959
ECL allowance as at 1 January	51,353	56,190	1,461	-	3,922,544	2,669,610	1,461	-
Charged for the year	-	-	4,437	1,461	-	1,252,934	4,437	1,461
Asset derecognised or repaid (excluding write offs)	(51,353)	(4,837)	-	-	(316,046)	-	-	-
At 31 December	-	51,353	5,898	1,461	3,606,498	3,922,544	5,898	1,461

Excessive risk concentration

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Group					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total days
	N'000	N'000	N'000	N'000	N'000	N'000
Year ended 31 December 2019						
Interest-bearing loans and borrowings	5,736,912	2,276,896	22,888,771	25,782,895	67,286,179	123,971,653
Trade and other payables	26,635,238	39,952,857	8,910,117	1,875,000	-	77,373,212
	32,372,150	42,229,753	31,798,888	27,657,895	67,286,179	201,344,865
Year ended 31 December 2018						
Interest-bearing loans and borrowings	8,411,337	18,963,531	55,775,090	27,887,545	5,577,509	116,615,012
Trade and other payables	-	68,564,916	-	-	-	68,564,916
	8,411,337	87,528,447	55,775,090	27,887,545	5,577,509	185,179,928

Company

Year ended 31 December 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total days
	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	1,609,260	462,042	4,704,596	14,864,918	7,593,658	29,234,474
Trade and other payables	2,748,491	-	-	1,875,000	-	4,623,491
	4,357,751	462,042	4,704,596	16,739,918	7,593,658	33,857,965

Year ended 31 December 2018	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total days
	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	5,064,832	8,863,455	11,395,871	-	-	25,324,158
Trade and other payables	-	3,054,475	-	-	-	3,054,475
	5,064,832	11,917,930	11,395,871	-	-	28,378,633

Changes in liabilities arising from financing activities

Group	1 January 2019	Additional	Loan	Foreign	Dividend	Others	31 December
	N'000	Loan	repayment	exchange	paid	N'000	2019
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Current interest-bearing loans and borrowings	54,174,104	77,703,596	(82,427,991)	383,481	-	(28,199,881)	21,633,309
Non-current interest-bearing loans and borrowings	57,373,723	-	-	-	-	34,849,110	92,222,833
Dividends payable	2,701,264	-	-	-	(4,168,977)	3,942,027	2,474,314
Deferred Income	-	1,452,830	-	-	-	(170,854)	1,281,976
Total liabilities from financing activities	114,249,091	79,156,426	(82,427,991)	383,481	(4,168,977)	10,420,402	117,612,432

Group	1 January 2018	Additional	Loan	Foreign	Dividend	Others	31 December
	N'000	loan	repayment	exchange	paid	N'000	2018
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Current interest-bearing loans and borrowings	36,509,388	12,171,446	(19,067,066)	3,167,810	-	21,392,526	54,174,104
Non-current interest-bearing loans and borrowings	75,589,945	3,176,304	-	-	-	(21,392,526)	57,373,723
Dividends payable	4,063,921	-	-	-	(10,309,242)	8,946,585	2,701,264
Total liabilities from financing activities	116,163,254	15,347,750	(19,067,066)	3,167,810	(10,309,242)	8,946,585	114,249,091

Company	1 January 2019	Additional	Loan	Foreign	Dividend	Others	31 December
	N'000	loan	repayment	exchange	paid	N'000	2019
		N'000	N'000	N'000	N'000	N'000	N'000
Current interest-bearing loans and borrowings	12,075,980	-	(6,198,295)	-	-	(5,299,690)	577,995
Non-current interest-bearing loans and borrowings	13,242,511	-	-	-	-	5,299,690	18,542,201
Dividends payable	-	-	-	-	(1,219,440)	1,219,440	-
Total liabilities from financing activities	25,318,491	-	(6,198,295)	-	(1,219,440)	1,219,440	19,120,196

Company	1 January 2018	Additional	Loan	Foreign	Dividend	Others	31 December
	N'000	loan	repayment	exchange	paid	N'000	2018
		N'000	N'000	N'000	N'000	N'000	N'000
Current interest-bearing loans and borrowings	10,223,021	5,224,555	(1,598,011)	-	-	(1,773,585)	12,075,980
Non-current interest-bearing loans and borrowings	11,470,290	-	-	-	-	1,772,221	13,242,511
Dividends payable	-	-	-	-	(812,960)	812,960	-
Total liabilities from financing activities	21,693,311	5,224,555	(1,598,011)	-	(812,960)	811,596	25,318,491

The 'Others' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings including the effect of subsequent measurement of below the market rate interest-bearing loans and borrowings at amortised cost using the EIR method, the accrual of non controlling interest dividends that were not yet paid at the year-end, dividend declared during the year and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The Group classifies interest paid as cash flows from operating activities.

8. Fair value measurement

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Fair value measurement hierarchy for assets as at 31 December 2019:

Group and Company	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Assets measured at fair value:					
Investment properties (Note 21):	31-Dec-19	2,047,900	-	-	2,047,900
Listed equity investments (Note 24)	31-Dec-19	3,450,970	3,450,970	-	-

There were no transfers between Level 1 and Level 2 during 2019.

Fair value measurement hierarchy for liabilities as at 31 December 2019:

	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Liabilities for which fair values are disclosed (Note 24.3):					
The Group					
Interest-bearing loans and borrowings:	31-Dec-19	116,387,477	-	116,387,477	-
The Company					
Interest-bearing loans and borrowings:	31-Dec-19	20,369,553	-	20,369,553	-

There were no transfers between Level 1 and Level 2 during 2019.

Fair value measurement hierarchy for assets as at 31 December 2018:

Group and Company	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Assets measured at fair value:					
Investment properties (Note 21):	31-Dec-18	1,800,000	-	-	1,800,000
Listed equity investments (Note 24)	31-Dec-18	3,716,514	3,716,514	-	-

There were no transfers between Level 1 and Level 2 during 2018.

Fair value measurement hierarchy for liabilities as at 31 December 2018:

Group and Company	Date of valuation	Total	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N'000	N'000	N'000	N'000
Liabilities for which fair values are disclosed (Note 24.3):					
The Group					
Interest-bearing loans and borrowings:	31-Dec-18	102,548,019	-	102,548,019	-
The Company					
Interest-bearing loans and borrowings:	31-Dec-18	24,052,566	-	24,052,566	-

There were no transfers between Level 1 and Level 2 during 2018.

9. Revenue from contracts with customers

9.1 Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segments	For the year ended 31 December 2019			
	Hospitality	Power	Corporate centre	Total
	N'000	N'000	N'000	N'000
Rooms	12,661,372	-	-	12,661,372
Food and beverages	6,137,589	-	-	6,137,589
Shop rental	797,745	-	-	797,745
Electric energy and capacity	-	55,843,216	-	55,843,216
Ancillary services	-	97,800	-	97,800
Other operating revenue	807,827	-	-	807,827
Total revenue from contracts with customers	20,404,533	55,941,016	-	76,345,549
Other revenue				
Dividend income	-	-	3,173,773	3,173,773
Total revenue	20,404,533	55,941,016	3,173,773	79,519,322
Timing of revenue recognition				
Goods transferred at a point in time	6,137,589	-	-	6,137,589
Services transferred over time	14,266,944	55,941,016	-	70,207,960
Total revenue from contracts with customers	20,404,533	55,941,016	-	76,345,549

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note 4):

Revenue	Hospitality	Power	Corporate centre	Total
	N'000	N'000	N'000	N'000
External customer	20,404,533	55,941,016	-	76,345,549
Inter-segment	-	-	3,173,773	3,173,773
	20,404,533	55,941,016	3,173,773	79,519,322
Inter-segment adjustments and eliminations	-	-	(3,173,773)	(3,173,773)
Total revenue	20,404,533	55,941,016	-	76,345,549

9.1 Disaggregated revenue information

Segments	For the year ended 31 December 2018			
	Hospitality	Power	Corporate centre	Total
	N'000	N'000	N'000	N'000
Rooms	10,739,287	-	-	10,739,287
Food and beverages	5,360,351	-	-	5,360,351
Shop rental	673,224	-	-	673,224
Electric energy and capacity	-	86,645,719	-	86,645,719
Ancillary services	-	92,100	-	92,100
Other operating revenue	652,104	-	-	652,104
Total revenue from contracts with customers	17,424,966	86,737,819	-	104,162,785
Other revenue				
Dividend income	-	-	8,899,967	8,899,967
Total revenue	17,424,966	86,737,819	8,899,967	113,062,752

Timing of revenue recognition

Goods transferred at a point in time	5,360,351	-	-	5,360,351
Services transferred over time	12,064,615	86,737,819	-	98,802,434
Total revenue from contracts with customers	17,424,966	86,737,819	-	104,162,785

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note 4):

Revenue	Hospitality N'000	Power N'000	Corporate centre N'000	Total N'000
External customer	17,424,966	86,737,819	-	104,162,785
Inter-segment	-	-	8,899,967	8,899,967
	17,424,966	86,737,819	8,899,967	113,062,752
Inter-segment adjustments and eliminations	-	-	(8,899,967)	(8,899,967)
Total revenue	17,424,966	86,737,819	-	104,162,785

10. Cost of sales

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Rooms	1,701,020	1,469,059	-	-
Food and beverages	3,195,613	2,897,577	-	-
Natural gas and fuel costs	30,536,408	46,068,995	-	-
Direct materials and related expenses	829,285	576,383	-	-
Repairs and maintenance	1,015,263	1,073,441	-	-
Staff costs	821,942	957,831	-	-
Depreciation	2,468,198	2,454,993	-	-
Insurance	240,927	242,573	-	-
Other operating costs	179,577	169,512	-	-
Total cost of sales	40,988,233	55,910,364	-	-

Inventory amounting to N32.44 billion (2018:N48.32 billion) was recognised in cost of sales.

11. Other operating income

Change in fair value of investment properties (Note 21)	247,900	93,400	247,900	93,400
Dividend income on equity securities	369,137	368,000	369,137	368,000
Management fees from subsidiaries	-	-	869,031	1,561,226
Rental income	10,833	-	10,833	-
Security deposit	147,680	152,825	-	-
Net foreign exchange gains	487,207	168,262	-	-
Deferred income (Note 31)	170,854	-	-	-
Others	171,813	214,709	17,243	17,819
Total other operating income	1,605,424	997,196	1,514,144	2,040,445

12 Finance costs

Interest on loans and borrowings	16,270,086	14,912,269	3,882,601	3,455,477
Less:				
Capitalised borrowing cost	(1,404,359)	(5,333,379)	-	-
Finance cost recognised in profit or loss	14,865,727	9,578,890	3,882,601	3,455,477

13 Finance income

Interest on bank deposits	15,574	23,600	15,574	23,600
Interest on loan	659,820	475,863	1,806,458	1,561,964
Total Finance income	675,394	499,463	1,822,032	1,585,564

14. Foreign exchange (gain)/loss on financing activities

Foreign exchange loss on interest-bearing loans and borrowings	383,481	3,167,810	-	-
	383,481	3,167,810	-	-

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
15. Employee benefits expense				
Included in cost of sales:				
Wages and salaries	710,089	875,531	-	-
Pension costs	111,853	82,300	-	-
	821,942	957,831	-	-
Included in administrative expenses:				
Wages and salaries	2,158,274	2,016,414	248,067	250,655
Pension costs	209,576	106,900	16,098	17,029
	2,367,850	2,123,314	264,165	267,684
Total employee benefits expense	3,189,792	3,081,145	264,165	267,684

16. Administrative expenses

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Employee benefits expense (Note 15)	2,367,850	2,123,314	264,165	267,684
Depreciation and impairment	2,131,237	1,143,385	65,644	7,295
Amortisation	23,076	32,456	-	-
Auditors remuneration	110,500	110,500	29,500	29,500
Management and incentive fees	1,338,452	1,354,824	-	-
Professional fees	859,638	962,637	566,162	819,316
Directors' remuneration	620,149	650,731	295,897	365,387
Rent and rates	58,358	103,679	-	83,772
Loss on asset disposal	112,449	32,870	-	-
Bank charges	363,957	478,277	4,778	10,285
Repairs and maintenance	922,399	797,365	5,839	6,952
Energy cost	1,302,207	1,292,624	15,492	13,936
Insurance	404,291	306,766	14,452	12,328
Group services and benefits	391,861	333,398	-	-
Telecommunication and IT expenses	199,857	215,747	1,100	1,178
Marketing, sales and advertisement	729,165	480,094	7,903	12,038
Licences and fees	154,928	147,450	25,635	31,294
Business development	-	112,592	-	500
Travel, logistics and accommodation	379,369	464,793	83,865	129,454
Security	87,768	91,111	3,607	10,346
Corporate social responsibility	242,362	469,331	-	-
Other administrative expenses	1,332,519	1,969,895	313,517	309,322
Total administrative expenses	14,132,392	13,673,839	1,697,556	2,110,587

N13.8m was paid to Ernst & Young as new business consultancy fee by the Group during the year while N3.5m was paid as IFRS consultancy fee in 2018. This has been recorded as part of the professional fee above. The non-audit service was carried out with the consent of the audit engagement partner and the service pose no threat to Ernst & Young's independence and objectivity.

17. Impairment loss/(gain) on financial assets

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Trade receivables (Note 7a)	405,826	929,830	-	-
Short term deposit (Note 7b)	4,437	1,461	4,437	1,461
Related party receivables (Note 7b)	(51,353)	(4,837)	(316,046)	1,252,934
	358,910	926,454	(311,609)	1,254,395

18. Income tax

18.1 The major components of income tax expense for the years ended 31 December 2019 and 2018 are:

Consolidated profit or loss	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Current income tax:				
Income tax (credit)/charge	(852,796)	2,499,924	189,090	204,521
Education tax charged	201,053	106,985	-	-
	(651,743)	2,606,909	189,090	204,521
Tax on franked investment income	-	-	317,377	889,997
Deferred tax:				
Relating to origination and reversal of temporary differences	4,844,303	(831,489)	-	-
Income tax expense reported in profit or loss	4,192,560	1,775,420	506,467	1,094,518

18.2 Reconciliation of tax expense and the accounting profit multiplied by Nigeria's domestic tax rate of 30% for 2018 and 2019:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Accounting profit before income tax	7,897,624	22,402,087	1,241,401	5,705,517
At Nigeria's statutory income tax rate of 30% (2018: 30%)	2,369,287	6,720,626	372,420	1,711,655
Education tax	201,053	106,985	-	-
Non-deductible expenses for tax purposes:				
Tax on franked investment income	-	-	317,377	889,997
Income not subjected to tax	(244,643)	(5,154,889)	(207,655)	(1,718,388)
Other non-deductible expenses	1,866,863	102,698	24,325	211,254
Income tax expense reported in profit or loss	4,192,560	1,775,420	506,467	1,094,518
Effective income tax rate	53%	8%	41%	19%

18.3 Deferred tax

Deferred tax relates to the following:

	Group			
	Consolidated statement of financial position		Consolidated profit or loss	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Accelerated depreciation for tax purposes	18,799,388	9,455,057	9,344,331	(1,722,376)
Unrealised FX losses	(5,316,522)	(5,331,517)	14,995	1,646,925
Expected credit losses of debt financial assets	(2,093,901)	(1,144,894)	(949,007)	(755,486)
Losses available for offsetting against future taxable income	(3,566,015)	-	(3,566,016)	(552)
Deferred tax expense/(benefit)			4,844,303	(831,489)
Net deferred tax liabilities	7,822,949	2,978,646		

	Group	
	2019	2018
	N'000	N'000
Deferred tax reflected in the statement of financial position as follows:		
Deferred tax assets	(78,711)	(3,998,817)
Deferred tax liabilities	7,901,660	6,977,463
Deferred tax liabilities, net	7,822,949	2,978,646

Deferred tax recognition-Group

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Transcorp Power Limited was granted pioneer status incentive from 2014 to 2018. During the pioneer status period, TPL was exempted from paying income tax. In addition, TPL has been taking deferred tax credits thereby building up deferred tax assets, using the unrealized exchange loss and unutilized capital allowance. With the completion of the pioneer status period in 2018, TPL is exposed to payment of company income tax in 2019. The utilization of the realized exchange loss and previously unutilized capital allowance to reduce the current year company income tax culminated in the unwinding of the deferred tax assets. Thereby resulting in a high deferred tax charge during the year under review.

Deferred tax recognition-Company

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The Company has not recognised deferred tax assets in respect of deductible temporary differences as it is not probable that taxable profits will be available in future for utilisation. The tax rate applicable to this deductible temporary differences is 30% based on the relevant tax laws. Accordingly, deductible temporary difference and unutilised tax losses for which deferred taxes were not recognised totaled N8.5 billion and N8.2 billion as at 31 December 2019 and 2018 respectively while deferred tax assets of N2.6 billion and N2.5 billion were not recognised for the ended 31 December 2019 and 2018 respectively.

18.4 Reconciliation of income tax payable

	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Reconciliation of income tax payable				
As of 1 January	3,070,345	1,424,147	245,098	225,015
Income tax (credit)/expense during the year	(651,743)	2,606,909	189,090	204,521
Payment during the year	(879,803)	(960,711)	(204,760)	(184,438)
As at 31 December	1,538,799	3,070,345	229,428	245,098

19. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Profit attributable to ordinary equity holders of the parent for basic earnings	1,548,727	9,314,010	734,934	4,610,999
Average number of ordinary shares for basic EPS (thousands)	40,647,991	40,647,991	40,647,991	40,647,991
Basic Earnings per share (Kobo)	4	23	2	11
Diluted Earnings per share (Kobo)	4	23	2	11

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

20. Property, plant and equipment

Group	Right of use	Freehold Land	Building	Plant & Machinery	Computer & office equipments	Motor Vehicle	Capital work in progress	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
1 January 2018	-	35,898,354	17,686,096	63,586,909	3,446,479	732,903	40,150,851	161,501,592
Additions	-	1,465,925	40,520	952,336	235,004	37,514	8,430,388	11,161,687
Interest cost capitalised in the year	-	-	-	-	-	-	5,333,379	5,333,379
Reclassification	-	375,370	37,180	863,838	-	-	(1,276,388)	-
Disposals	-	-	-	(196,143)	(14,511)	(46,785)	-	(257,439)
Write offs	-	-	-	-	-	-	(618)	(618)
31 December 2018	-	37,739,649	17,763,796	65,206,940	3,666,972	723,632	52,637,612	177,738,601
1 January 2019	179,005	37,739,649	17,763,796	65,206,940	3,666,972	723,632	52,637,612	177,917,606
Additions	-	-	213,955	2,409,519	399,223	101,098	4,047,980	7,171,775
Interest cost capitalised in the year	-	-	-	-	-	-	1,404,359	1,404,359
Reclassification	-	-	32,335,125	1,503,907	14,036,459	-	(47,875,491)	-
Disposals	-	-	(135,949)	(14,960)	(2,712)	(37,524)	-	(191,145)
31 December 2019	179,005	37,739,649	50,176,927	69,105,406	18,099,942	787,206	10,214,460	186,302,595
Accumulated depreciation								
1 January 2018	-	-	2,678,818	13,953,078	2,532,415	501,690	-	19,666,001
Depreciation for the year	-	-	415,802	2,748,203	353,022	81,351	-	3,598,378
Disposals	-	-	-	(52,882)	(12,421)	(26,364)	-	(91,667)
31 December 2018	-	-	3,094,620	16,648,399	2,873,016	556,677	-	23,172,712
1 January 2019	-	-	3,094,620	16,648,399	2,873,016	556,677	-	23,172,712
Depreciation for the year	58,056	-	804,624	2,779,610	877,105	80,040	-	4,599,435
Disposals	-	-	(18,330)	(9,095)	(637)	(35,493)	-	(63,555)
31 December 2019	58,056	-	3,880,914	19,418,914	3,749,484	601,224	-	27,708,592
Net book value								
At 31 December 2019	120,949	37,739,649	46,296,013	49,686,492	14,350,458	185,982	10,214,460	158,594,003
At 31 December 2018	-	37,739,649	14,669,176	48,558,541	793,956	166,955	52,637,612	154,565,889

Company	Right of use	Leasehold improvement	Plant & Machinery	Computer & office equipments	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost						
1 January 18	-	28,862	8,771	57,967	7,975	103,575
Additions	-	-	-	12,028	-	12,028
Disposals	-	-	-	(404)	-	(404)
31 December 18	-	28,862	8,771	69,591	7,975	115,199
1 January 2019	179,005	28,862	8,771	69,591	7,975	294,204
Additions	-	-	-	2,811	7,298	10,109
Disposals	-	-	-	(612)	-	(612)
31 December 2019	179,005	28,862	8,771	71,790	15,273	303,701
Accumulated depreciation						
1 January 2018	-	28,322	1,450	48,135	7,329	85,236
Depreciation for the year	-	309	772	6,214	-	7,295
Disposals	-	-	-	(364)	-	(364)
31 December 2018	-	28,631	2,222	53,985	7,329	92,167
1 January 2019	-	28,631	2,222	53,985	7,329	92,167
Depreciation for the year	58,056	170	772	5,430	1,216	65,644
Disposals	-	-	-	(231)	-	(231)
31 December 2019	58,056	28,801	2,994	59,184	8,545	157,580
Net book value						
At 31 December 2019	120,949	61	5,777	12,606	6,728	146,121
At 31 December 2018	-	231	6,549	15,606	646	23,032

The amount of borrowing costs capitalised during the year ended 31 December 2019 was N1.40billion (2018: N5.33 billion). The rate used to determine the amount of borrowing costs eligible for capitalisation was 19% (2018: 19%), which is the EIR applicable to the Group's specific borrowings.

No assets were pledged as collateral.

The Group and Company has no future cash outflows relating to leases that have not yet commenced.

21. Investment properties

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Opening balance at 1 January	1,800,000	1,706,600	1,800,000	1,706,600
Net gain from fair value remeasurement	247,900	93,400	247,900	93,400
Closing balance at 31 December	2,047,900	1,800,000	2,047,900	1,800,000

Investment properties relates to the 4,876.151 square metres of fenced expanse of land at No.2, Rumens Road, off Alfred Rewane Road, Ikoyi Lagos State.

As at 31 December 2019, the fair values of the properties are based on valuations performed by Eleh Chukwuemeka Daniel - FRC/2015/NIESV/00000013406 of Ubosi Eleh & Co. Estate Surveyors & Valuers - FRC/2015/NIESV00000013406, an accredited independent valuer. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The title to this property was purportedly revoked by a revocation order of the Minister of Lands, Housing & Urban Development published in some national dailies of 29 May 2015. By another newspaper publication dated 9 August 2018, the Minister of Power Works and Housing reversed the revocation and informed the public that Transcorp's title to the property remains valid and subsisting and shall in no way be affected by the previously published revocation notice.

Prior to the reversal of the revocation, a suit was filed at the 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.

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. Meanwhile the Company and the Federal Government have entered into Terms of Settlement to amicably resolve the suit. The Terms of Settlement have been filed at the Court of Appeal for adoption by the parties. As at the date of approval of these financial statements, the Directors, based on representation from the Company's legal advisers, are of the view that there is no likelihood of an unfavourable outcome in the suit.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Rental income derived from investment properties during the year amounts to N10.8 million (2018: nil).

Fair value hierarchy disclosures for investment properties are in Note 8.

21. Investment properties continued**Reconciliation of fair value:**

	Group and Company
	Land
	N'000
As at 1 January 2018	1,706,600
Remeasurement recognised in profit or loss	93,400
As at 31 December 2018	1,800,000
Remeasurement recognised in profit or loss	247,900
As at 31 December 2019	2,047,900

Description of valuation techniques used and key inputs to valuation of investment properties:

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2019	2018
Land - market comparison method (refer below)	Estimated rental value per sqm per month	693	684
	Rent growth p.a.	20%	19%
	Average land value per square meter	420,000	370,000

The comparison method of valuation was used to arrive at the fair value of the land. This method involved analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately in arriving at the value. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties.

Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and average land value per square meter.

22. Intangible assets

	Group					Company		
	Goodwill	Computer software with definite useful life	Oil Prospecting License	Exploration and evaluation expenditure	Total	Computer software with definite useful life	Oil Prospecting License	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2018	30,934,143	258,170	5,075,818	3,380,748	39,648,879	12,966	5,075,818	5,088,784
Additions	-	-	-	755,308	755,308	-	-	-
At 31 December 2018	30,934,143	258,170	5,075,818	4,136,056	40,404,187	12,966	5,075,818	5,088,784
Additions	-	55,880	-	895,236	951,116	-	-	-
At 31 December 2019	30,934,143	314,050	5,075,818	5,031,292	41,355,303	12,966	5,075,818	5,088,784

Amortisation and impairment

At 1 January 2018	-	131,539	-	-	131,539	12,966	-	12,966
Amortisation	-	32,456	-	-	32,456	-	-	-
At 31 December 2018	-	163,995	-	-	163,995	12,966	-	12,966
Amortisation	-	23,075	-	-	23,075	-	-	-
At 31 December 2019	-	187,070	-	-	187,070	12,966	-	12,966

Net book value

At 31 December 2019	30,934,143	126,980	5,075,818	5,031,292	41,168,233	-	5,075,818	5,075,818
At 31 December 2018	30,934,143	94,175	5,075,818	4,136,056	40,240,192	-	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.

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 N895.24 million (2018: N755.31 million).

23. Goodwill and intangible assets with indefinite useful lives

Goodwill has been allocated to the following Cash Generating Units (CGUs).

Carrying amount of goodwill			2019	2018
			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
Total carrying amount of goodwill			30,934,143	30,934,143

In assessing goodwill for impairment at 31 December 2019 and 2018, the company compared the aggregate recoverable amount of the assets included in the CGU to its 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:

Budgeted gross margin %
Weighted average growth rate
Pre-tax discount rate

Transcorp Hotels Calabar CGU

The recoverable amount of Transcorp Hotels Calabar CGU, N4,728,643,000 as at 31 December 2019, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for products and services. The pre-tax discount rate applied to cash flow projections is 16.0% (2018: 15.5%) and cash flows beyond the five-year period are extrapolated using a 5.0% growth rate (2018: 7.0%) that is the same as the long-term average growth rate for the hospitality industry. It was concluded that the fair value less costs of disposal exceed the value in use. As a result of this analysis, no impairment charge has been recognised by management.

Transcorp Hotels Plc CGU

The recoverable amount of Transcorp Hotels Plc CGU, N92,647,937,000 as at 31 December 2019, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for products and services. The pre-tax discount rate applied to cash flow projections is 16.0% (2018: 15.5%) and cash flows beyond the five-year period are extrapolated using a 5% growth rate (2018: 7.0%) that is the same as the long-term average growth rate for the hospitality industry. It was concluded that the fair value less costs of disposal exceed the value in use. As a result of this analysis, no impairment charge has been recognised by management.

Transcorp Power Limited CGU

The recoverable amount of Transcorp Power Limited CGU, N181,857,629,000 as at 31 December 2019, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for products and services. The pre-tax discount rate applied to cash flow projections is 16% (2018: 19.55%) and cash flows beyond the five-year period are extrapolated using a 5% growth rate (2018: 5.5%) that is the same as the long-term average growth rate for the power industry. It was concluded that the fair value less costs of disposal exceed the value in use. As a result of this analysis, no impairment charge has been recognised by management.

23. Goodwill and intangible assets with indefinite useful lives-continued

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

24. Financial assets and financial liabilities

24.1 Financial assets

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Financial assets at fair value through OCI				
Listed equity investments	3,450,970	3,716,514	3,450,970	3,716,514

Financial assets at fair value through OCI include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

Further disclosure of total financial assets

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Financial assets at fair value through OCI				
Listed equity investments	3,450,970	3,716,514	3,450,970	3,716,514
Debt instruments at amortised cost				
Trade receivables (Note 26)	97,931,660	83,601,905	14,870,062	27,125,791
Total financial assets	101,382,630	87,318,419	18,321,032	30,842,305
Total current	97,931,660	83,601,905	14,870,062	27,125,791
Total non-current	3,450,970	3,716,514	3,450,970	3,716,514

Debt instruments at amortised cost include trade receivables and receivables from related parties.

24.2 Financial liabilities: Interest-bearing loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Bank overdrafts	3,604,342	10,201,045	1,609,002	4,907,836
Term Loan	77,831,407	33,537,038	17,511,194	20,410,655
\$215 million acquisition loan	23,190,472	54,550,698	-	-
Bonds	9,229,921	13,259,046	-	-
Total interest-bearing loans and borrowings	113,856,142	111,547,827	19,120,196	25,318,491
Total current interest-bearing loans and borrowings	21,633,309	54,174,104	577,995	12,075,980
Total non-current interest-bearing loans and borrowings	92,222,833	57,373,723	18,542,201	13,242,511

Movement in interest bearing loans and borrowing

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
As at 1 January	111,547,827	112,099,333	25,318,491	21,693,311
Additions	77,703,596	15,347,750	-	5,224,555
Effective interest	16,270,086	14,912,269	3,882,601	3,455,477
Principal repayments	(82,427,991)	(19,067,066)	(6,198,295)	(1,598,011)
Interest repayments	(9,620,857)	(14,912,269)	(3,882,601)	(3,448,466)
Exchange (gain)/loss	383,481	3,167,810	-	-
31 December	113,856,142	111,547,827	19,120,196	25,318,491

Qualitative description of interest bearing loans and borrowing

Bank overdrafts

The bank overdrafts are payable on-demand with interest rate of 16%.

Term loans

Term loans are facilities obtained by the Group from various commercial banks in Nigeria. These facilities are repayable by instalments at various dates between 2020 and 2026 with interest rate varying between 16% and 18%.

\$215 million acquisition loan

The company obtained a loan of USD215m for the acquisition of Ughelli Power limited which has been substantially paid down and partly converted to local currency. The balance in foreign currency has been restructured at 6.5%(previously 8.5%).

Bonds

These consist of the following:

N10 billion 7-year bond

N10 billion 7-year 16.00% fixed rate bonds made through 100% firm underwriting process wherein the Issue is offered to Qualified Institutional Investors ("QIIs") and High Net worth Investors ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission.

N9.785 billion 5-year bond

N9.785 billion subscribed 5-year 15.50% fixed rate bonds made through Book building process wherein 100% of the subscribed Issue is offered to Qualified Institutional Investors ("QIIs") and High Networth Investors ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission ;

Purpose	Amount (N'000)	% of Net proceeds	Completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	9,764,370	98	Completed 31 march 2019
Cost of Issue	235,630	2	Paid
	10,000,000	100	

N9.785 billion 5-year 15.50% fixed rate bonds

Purpose	Amount (N'000)	% of Net proceeds	Completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	9,546,776	98	Completed 31 march 2019
Cost of Issue	238,224	2	Paid
	9,785,000	100	

Other financial liabilities at amortised cost, other than interest-bearing loans and borrowings

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Trade and other payables (Note 33)	77,373,212	68,564,916	4,623,491	3,054,475
Total current financial liabilities	77,373,212	68,564,916	4,623,491	3,054,475

24.3 Fair values

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Group	Carrying amount		Fair value	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Financial liabilities				
Interest-bearing loans and borrowings	113,856,142	111,547,827	116,387,477	102,548,019
Closing balance at 31 December	113,856,142	111,547,827	116,387,477	102,548,019

Company	Carrying amount		Fair value	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Financial liabilities				
Interest-bearing loans and borrowings	19,120,196	25,318,491	20,369,553	24,052,566
Closing balance at 31 December	19,120,196	25,318,491	20,369,553	24,052,566

The management assessed that the fair values of cash and bank balances, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

The fair values of the Group's interest-bearing borrowings and loans are determined by using the DCF method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

25. Inventories

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Food and beverage	146,038	123,922	-	-
Fuel	120,941	128,497	-	-
Engineering spares	4,032,451	4,438,126	-	-
Guest supplies	139,566	121,368	-	-
	4,438,996	4,811,913	-	-

There was no write-down of inventories to net realisable value during the year.

26. Trade and other receivables

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Receivables from third-party customers (Note 26.1)	93,735,392	77,060,347	-	-
Due from related companies and other receivables (Note 26.2)	4,196,268	6,541,558	14,870,062	27,125,791
	97,931,660	83,601,905	14,870,062	27,125,791

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

For terms and conditions relating to related party receivables, refer to Note 36.

26.1 Receivables from third-party customers

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Trade receivables	95,990,969	80,825,307	-	-
Allowance for expected credit losses (Note 7a)	(2,255,577)	(3,764,960)	-	-
	93,735,392	77,060,347	-	-

26.2 Due from related companies and other receivables

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Related parties	-	-	15,621,652	25,622,091
Other receivables	4,196,268	6,592,911	2,854,908	5,426,244
Allowance for expected credit losses (Note 7b)	-	(51,353)	(3,606,498)	(3,922,544)
	4,196,268	6,541,558	14,870,062	27,125,791

Information about the credit exposures are disclosed in Note 7.

27. Prepayments and other assets

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Prepayments	58,132	314,435	25,581	243,981
Other assets	421,950	461,760	-	-
	480,082	776,195	25,581	243,981
Current	354,651	554,275	13,331	58,333
Non-current	125,431	221,920	12,250	185,648

28. Cash and short term deposit

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Cash on hand	14,835	20,036	102	102
Cash at banks	3,205,900	2,232,836	13,856	9,151
Short term deposit	1,727,116	1,376,959	544,639	102,959
	4,947,851	3,629,831	558,597	112,212
Allowance for expected credit losses	(5,898)	(1,461)	(5,898)	(1,461)
	4,941,953	3,628,370	552,699	110,751

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Set out below is the movement in the allowance for expected credit losses of short term deposit:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
As at 1 January	1,461	-	1,461	-
Allowance for expected credit losses (Note 7b)	4,437	1,461	4,437	1,461
	5,898	1,461	5,898	1,461

For the purpose of the statement of cash flows, cash and cash equivalents comprises the following:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Cash and short term deposit	4,947,851	3,629,831	558,597	112,212
Cash and cash equivalents	4,947,851	3,629,831	558,597	112,212

29. Issued capital and reserves

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Authorised shares				
45,000,000,000 ordinary shares of 50 kobo each	22,500,000	22,500,000	22,500,000	22,500,000
Ordinary shares issued and fully paid				
40,647,990,293 ordinary shares of 50k each	20,323,996	20,323,996	20,323,996	20,323,996
Share premium				
At 1 January	6,249,871	6,249,871	6,249,871	6,249,871
At 31 December	6,249,871	6,249,871	6,249,871	6,249,871

30. Distributions made and proposed

Cash dividends on ordinary shares declared and paid:

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Dividend	1,219,440	812,960	1,219,440	812,960
	1,219,440	812,960	1,219,440	812,960

Cash dividend of 3 kobo per ordinary share was declared in 2018 (2017: 2 kobo). The dividend declared was approved during the Company's AGM and paid in 2019.

31. Deferred income

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
At 1 January	-	-	-	-
Received during the year	1,452,830	-	-	-
Released to the statement of profit or loss	170,854	-	-	-
At 31 December	1,281,976	-	-	-
Current	208,442	-	-	-
Non-current	1,073,534	-	-	-

Deferred income relates to below the market rate loan (N10 billion) obtained from Bank of Industry (BOI) to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new 5-seater capacity multi-purpose banqueting conference centre. The fair value of the deferred income was recognized initially on the drawn down date and subsequently amortized on a straight line basis over the tenor of the loan. There were no unfulfilled conditions relating to the deferred income as at the reporting date. The initial deferred income was N1.45 billion out of which N170.8 million was credited to other operating income in the statement of profit or loss for 2019.

32. Contract liabilities

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Short-term advances for hospitality services (Note 32.1)	32,327	29,499	-	-

This relates to consideration paid by the customer before the Group transfers goods or services. Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

32.1 Short-term advances for hospitality services

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
At 1 January	29,499	35,664	-	-
Deferred during the year	32,327	29,499	-	-
Recognised as revenue during the year	(29,499)	(35,664)	-	-
At 31 December	32,327	29,499	-	-
Current	32,327	29,499	-	-

33. Trade and other payables

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Trade payables	55,655,839	40,119,878	-	-
Other payables (Note 33.1)	21,717,373	28,445,038	4,623,491	3,054,475
	77,373,212	68,564,916	4,623,491	3,054,475

- Trade payables are non-interest bearing and are normally settled on 60-day terms
 - Other payables are non-interest bearing and have an average term of six months
 - For terms and conditions with related parties, refer to Note 36
- For explanations on the Group's liquidity risk management processes, refer to Note 7.

33.1 Other payables

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
VAT payable	179,527	140,707	72,393	37,393
Accrued liabilities	16,197,290	23,249,322	1,813,636	792,957
Dividend payable	2,474,314	2,701,264	-	-
Security deposits from guests	128,780	129,620	-	-
Advanced deposit (Note 33.2)	1,875,000	1,875,000	1,875,000	1,875,000
Unclaimed dividend	862,462	349,125	862,462	349,125
	21,717,373	28,445,038	4,623,491	3,054,475

33.2 Advanced deposit - Sacoil / Equity, Energy and Resource (EER) farm-in fees

Payment of N1.875billion relates to farm-in fee of \$12.5 million received from EER/SacOil being part of the consideration for assignment of certain interest in Oil Prospecting License 281 (OPL 281) to EER and SacOil, subject to ministerial consent. The farm-in process was not 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 totalling \$19million. The Company instituted a suit against EER & SacOil for breach of contract and is claiming \$50million in damages while contesting the refund request by SacOil. Sacoil and the Company have also reached an understanding to resolve the issues amicably.

As at 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 further assured by the amicable resolution commitment of the parties.

34. Deposit for shares

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Deposit for shares	2,410,000	2,410,000	-	-

Deposit for shares relates to Heirs Holdings Limited's contribution to the development of Transcorp Hotels Ikoyi Limited (THIL). Based on the Memorandum of Understanding between Transnational Corporation of Nigeria Plc and Heirs Holdings Limited, THIL will repay or issue shares to Heirs Holdings Limited on completion of the construction and start of operation of the hotel.

35. Commitments and contingencies

Commitments

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

There were no significant litigation in the ordinary course of business as at each reporting date. It is the directors' opinion that no material liability against the Group will arise therefrom. There were no guarantees given on behalf of staff or other third parties on the reporting dates.

Legal claim contingency

The Group is involved in some legal action in the ordinary course of the business. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

36. Related party disclosures

Note 6 provides information about the Group's structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

The Group has no outstanding balance with related parties at year end (2018: nil).

Company - 2019

	Amount owed to related parties		Amount owed by related parties	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Subsidiary and other related parties				
Transcorp Power Limited	-	-	2,227,256	15,758,732
Teragro Commodities Limited	-	-	2,103,152	1,282,685
Transcorp OPL 281 Limited	-	-	7,170,777	6,101,761
Transcorp Hotels Plc	-	-	4,100,509	2,460,080
Transcorp Hotels Calabar Limited	-	-	19,958	18,833
		-	15,621,652	25,622,091

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. However, there was no sales to or purchases from related parties during the year. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

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 relate to payment made or received on behalf of the Company's subsidiaries.

Compensation of key management personnel

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Emoluments of directors				
Salaries and other short-term employee benefits	564,779	599,561	275,064	348,754
Defined contributions	15,270	15,270	10,133	10,133
Fees and allowances	40,100	35,900	10,700	6,500
Total compensation paid to key management personnel	620,149	650,731	295,897	365,387

36. Related party disclosures-continued

	Group		Company	
	2019	2018	2019	2018
	N'000	N'000	N'000	N'000
Amount paid to the highest paid director (excluding pension contributions)	100,210	100,210	100,210	100,210
Chairman's emoluments				
Fees	1,500	1,600	1,500	1,600
Benefits in kind	64,878	36,138	64,878	36,138
	66,378	37,738	66,378	37,738

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown above.

The number of directors of the company (including the highest paid director) whose remuneration, excluding pension contributions, in respect of services to the company is within the following range:

	Group		Company	
	2019	2018	2019	2018
	Number	Number	Number	Number
Less than N10,000,000	14	16	-	2
Over N10,000,000	10	9	7	6
	24	25	7	8

37. Staff numbers and costs

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.

Staff Numbers per grade	Group		Company	
	2019 Number	2018 Number	2019 Number	2018 Number
Managerial	66	97	10	8
Senior staff	403	345	9	9
Others	1,261	1,089	3	3
	1,730	1,531	22	20
N500,001-N1,000,000	436	443	-	
N1,000,001-N2,000,000	156	129	3	3
N2,000,001-N4,000,000	844	669	3	3
N4,000,001- N5,000,000	198	187	2	2
Above N5,000,000	96	103	14	12
	1,730	1,531	22	20

Staff costs for the above persons (excluding Directors):

	Group		Company	
	2019 N'000	2018 N'000	2019 N'000	2018 N'000
Salaries and wages	2,868,363	2,891,945	248,068	250,655
Pension cost	321,429	189,200	16,097	17,029
	3,189,792	3,081,145	264,165	267,684

38. Events after the reporting period

At the date of this report, there have been no significant events after the reporting date, which would have a material effect on the financial statements.

39. Reclassification

Certain comparative figures have been reclassified in line with the current year's presentation.

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED AS AT 31 DECEMBER 2019

	Group				Company			
	2019	%	2018	%	2019	%	2018	
	N'000		N'000		N'000		N'000	
Revenue	76,345,549		104,162,785		3,173,773		8,899,967	
Other	2,280,818		1,496,659		3,336,176		3,626,009	
	78,626,367		105,659,444		6,509,949		12,525,976	
Bought in services								
- Foreign	(28,759,665)		(39,032,110)		(793,009)		(2,606,905)	
- Local	(19,173,110)		(26,021,407)		(528,673)		(1,737,937)	
Total Value added	30,693,591		40,605,927		5,188,267		8,181,134	
Applied as follows:								
Employees								
Salaries and other benefits	3,189,792	10	3,081,145	8	264,165	5	267,684	
Provider of funds								
Finance cost and foreign exchange loss on financing activities	15,249,208	50	12,746,700	31	3,882,601	75	3,455,477	
Government								
Company Taxes	(651,743)	(2)	2606,909	6	506,467	10	1,094,518	
The Future								
Depreciation & Amortisation	4,622,511	15	3,630,834	9	65,644	1	7,295	
Deferred Taxation	4,844,303	16	(831,489)	(2)	-	-	-	
Retained profit	3,439,520	11	19,371,828	48	469,390	9	3,356,160	
	30,693,591	100	40,605,927	100	5,188,267	100	8,181,134	

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY AS AT 31 DECEMBER 2019

GROUP	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets	205,465,248	204,543,332	191,432,812	170,942,327	152,124,317
Current assets	107,667,260	92,596,463	94,089,492	61,218,404	50,759,632
Total assets	313,132,508	297,139,795	285,522,304	232,160,731	202,883,949
Equity					
Issued capital	20,323,996	20,323,996	20,323,996	20,323,996	19,360,499
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	7,213,368
Other reserves	1,257,398	1,522,942	2,777,781	(360,481)	(933,366)
Retained earnings	39,199,021	38,869,734	31,961,979	27,207,214	28,138,355
Equity attributable to equity holders of the parent	67,030,286	66,966,543	61,313,627	53,420,600	53,778,856
Non-controlling interests	41,708,106	37,573,202	34,394,170	33,027,997	33,726,375
Total equity	108,738,392	104,539,745	95,707,797	86,448,597	87,505,231
Liabilities					
Non-current liabilities	103,608,027	66,761,186	85,158,998	82,512,366	74,756,937
Current liabilities	100,786,089	125,838,864	104,655,509	63,199,768	40,621,781
Total liabilities	204,394,116	192,600,050	189,814,507	145,712,134	115,378,718
Total equity and liabilities	313,132,508	297,139,795	285,522,304	232,160,731	202,883,949

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

	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
Revenue	76,345,549	104,162,785	80,284,959	59,424,619	40,753,506
Profit/(loss) before taxation	7,897,624	22,402,087	12,305,547	(5,928,348)	3,319,529
Taxation	(4,192,560)	(1,775,420)	(1,698,271)	4,801,350	(1,287,972)
Profit/(loss) after taxation	3,705,064	20,626,667	10,607,276	(1,126,998)	2,031,557

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY AS AT 31 DECEMBER 2019

COMPANY	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets	44,794,683	38,330,899	39,301,997	36,541,782	36,112,824
Current assets	15,436,092	27,294,875	23,800,774	21,371,921	20,506,655
Total assets	60,230,775	65,625,774	63,102,771	57,913,703	56,619,479
Equity					
Issued capital	20,323,996	20,323,996	20,323,996	20,323,996	19,360,499
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	7,213,368
Other reserves	1,369,078	1,634,622	2,889,461	97,018	(475,867)
Retained earnings	8,314,715	8,799,221	6,143,818	4,274,614	5,123,707
Total equity	36,257,660	37,007,710	35,607,146	30,945,499	31,221,707
Liabilities					
Non-current liabilities	18,542,201	13,242,511	11,470,290	8,231,283	10,045,155
Current liabilities	5,430,914	15,375,553	16,025,335	18,736,921	15,352,617
Total liabilities	23,973,115	28,618,064	27,495,625	26,968,204	25,397,772
Total equity and liabilities	60,230,775	65,625,774	63,102,771	57,913,703	56,619,479
STATEMENT OF PROFIT OR LOSS					
	2019	2018	2017	2016	2015
	N'000	N'000	N'000	N'000	N'000
Revenue	3,173,773	8,899,967	5,121,992	2,537,628	3,241,943
Profit/(loss) before taxation	1,241,401	5,705,517	2,567,737	(439,925)	1,037,146
Taxation	(506,467)	(1,094,518)	(698,533)	(409,168)	(477,479)
Profit/(loss) after taxation	734,934	4,610,999	1,869,204	(849,093)	559,667



05 Shareholder Information

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 14th Annual General Meeting ("AGM") of Transnational Corporation of Nigeria Plc ("the Company") will hold on **Wednesday, March 25, 2020**, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T, 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 December 31, 2019, together with the Reports of the Directors, Auditors and Audit Committee thereon;
2. To declare a dividend;
3. To approve the appointment of Mrs. Owen Omogiafo as a Director;
4. To re-elect the following Directors retiring by rotation: Dr. Stanley Inye Lawson and Ms. Obi Ibekwe;
5. To appoint Deloitte & Touche Nigeria as Auditors to the Company;
6. To authorise the Directors to fix the remuneration of the Auditors for the 2020 financial year;
7. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

8. To fix the remuneration of Directors.
9. To consider and if thought fit, pass the following resolutions as special resolutions of the Company:
 - 9.1. "That the Directors be and are hereby authorised to carry out restructuring, reorganisation, or reconstruction of the Company and/or a combination of any of such actions or other business arrangements as they deem appropriate, including but not limited to investing in, acquiring or divesting from any business or entity by way of a scheme or otherwise;
 - 9.2. That subject to regulatory approvals, the Directors be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of the above-stated resolution, including but not limited to appointing professional advisers and parties upon such terms and conditions that the Directors may deem appropriate."

Dated this 3rd day of March, 2020

BY ORDER OF THE BOARD



Mr. Chike Anikwe
Ag. Group Company Secretary
 FRC/2017/NBA/00000016059

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. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, 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 and may also be downloaded from the Company's website at www.transcorp-nigeria.com.

2. DIVIDEND

If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by Friday, March 27, 2020, to the shareholders whose names appear in the Company's Register of Members at the close of business on Tuesday, March 17, 2020.

3. CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Wednesday, March 18, 2020 to Monday, March 23, 2020 (both dates inclusive) for the purpose of dividend payment and updating the register.

4. NOMINATION TO THE 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 REGISTRATION

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is 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 which were returned to the Registrars as unclaimed are still in the custody of the Registrars. 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. PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Dr. Stanley Inye Lawson and Ms. Obi Ibekwe who will be retiring by rotation and will be presenting themselves for re-election are amongst the profiles of Directors that are provided in the 2019 Annual Report and on the Company's website at www.transcorp-nigeria.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 2019 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. Additionally, an electronic version of the 2019 Annual Report is available on the Company's website at www.transcorp-nigeria.com.

9. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have the 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, March 23, 2020.

FOURTEENTH ANNUAL GENERAL MEETING TO BE HELD ON WEDNESDAY, 25 MARCH, 2020, AT TRANSCORP HILTON ABUJA, 1, AGUIYI IRONSI STREET, MAITAMA, ABUJA, AT 10.00 A.M.

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 Fourteenth Annual General Meeting of the Company to be held on Wednesday, March 25, 2020, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, at 10.00 a.m. and at any adjournment thereof.

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.

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, Lagos, 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.

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.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2019, together with the Reports of the Directors, Auditors and Audit Committee thereon .			
2. To declare a dividend of 1 kobo per share.			
3. To approve the appointment of Mrs. Owen Omogiafo as a Director of the Company.			
4.1 To re-elect a retiring Director, Dr. Stanley Inye Lawson.			
4.2 To re-elect a retiring Director, Ms. Obi Ibekwe.			
5. To appoint Deloitte & Touche Nigeria as Auditors to the Company.			
6. To authorize the Directors to fix the remuneration of the Auditors for the 2020 financial year.			
7. To elect members of the Audit Committee.			
8. To fix the remuneration of Directors			
9. To consider and if thought fit, pass the following resolutions as special resolutions of the Company: 9.1 "That the Directors be and are hereby authorised to carry out restructuring, reorganisation, or reconstruction of the Company and/or a combination of any of such actions or other business arrangements as they deem appropriate, including but not limited to investing in, acquiring or divesting from any business or entity by way of a scheme or otherwise; 9.2 That subject to regulatory approvals, the Directors be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of the above-stated resolution, including but not limited to appointing professional advisers and parties upon such terms and conditions that the Directors may deem appropriate."			
<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/her discretion.</p>			

TRANSNATIONAL CORPORATION OF NIGERIA PLC
Fourteenth Annual General Meeting

ADMISSION CARD

Please admit the Shareholder named on this Card or his duly appointed proxy to the Annual General Meeting of the Company to be held on Wednesday, March 25, 2020 at, Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja 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

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.: 1. 2.

7. SEX: MALE FEMALE 8. *DATE OF BIRTH

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.: C

11. NAME OF STOCKBROKER:

DECLARATION

I/We 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.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal (if applicable)

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

CLIENTELE

- 1. ABBEY MORTGAGE BANK PLC
- 2. ADAMAWA STATE GOVERNMENT BOND
- 3. AFRILAND PROPERTIES PLC
- 4. AFRICA PRUDENTIAL PLC
- 5. A & G INSURANCE PLC
- 6. ALUMACO PLC
- 7. A.R.M LIFE PLC
- 8. BECO PETROLEUM PRODUCTS PLC
- 9. BUA GROUP
- 10. BENUE STATE GOVERNMENT BOND
- 11. CAP PLC
- 12. CAPP AND D'ALBERTO PLC
- 13. CEMENT COY. OF NORTHERN NIG. PLC
- 14. CSCS PLC
- 15. CHAMPION BREWERIES PLC
- 16. CWG PLC
- 17. CORDROS MONEY MARKET FUND
- 18. EBONYI STATE GOVERNMENT BOND
- 19. GOLDEN CAPITAL PLC
- 20. INFINITY TRUST MORTGAGE BANK PLC
- 21. INVESTMENT & ALLIED ASSURANCE PLC
- 22. JAIZ BANK PLC
- 23. KADUNA STATE GOVERNMENT BOND
- 24. LAGOS BUILDING INVESTMENT CO. PLC
- 25. GLOBAL SPECTRUM ENERGY SERVICES PLC
- 26. MED-VIEW AIRLINE PLC
- 27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
- 28. NEXANS KABLEMETAL NIG. PLC
- 29. OMOUABI MORTGAGE BANK PLC
- 30. PERSONAL TRUST & SAVINGS LTD
- 31. P.S MANDRIDES PLC
- 32. PORTLAND PAINTS & PRODUCTS NIG. PLC
- 33. PREMIER BREWERIES PLC
- 34. RESORT SAVINGS & LOANS PLC
- 35. ROADS NIGERIA PLC
- 36. SCOA NIGERIA PLC
- 37. TRANSCORP HOTELS PLC
- 38. TRANSCORP PLC
- 39. TOWER BOND
- 40. THE LA CASERA CORPORATE BOND
- 41. UACN PLC
- 42. UNITED BANK FOR AFRICA PLC
- 43. UNITED CAPITAL PLC
- 44. UNITED CAPITAL BALANCED FUND
- 45. UNITED CAPITAL BOND FUND
- 46. UNITED CAPITAL EQUITY FUND
- 47. UNITED CAPITAL MONEY MARKET FUND
- 48. UNITED CAPITAL NIGERIAN EUROBOOND FUND
- 49. UNITED CAPITAL WEALTH FOR WOMEN FUND
- 50. UNIC DIVERSIFIED HOLDINGS PLC
- 51. UNIC INSURANCE PLC
- 52. UAC PROPERTY DEVELOPMENT COMPANY PLC
- 53. UTC NIGERIA PLC
- 54. VFD GROUP PLC
- 55. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud



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

Gender: Male Female Date Of Birth

Surname/Company's Name First Name Other Name

Address

City State Country

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

Mobile Telephone 1 Mobile Telephone 2

E-mail Address

DECLARATION

I/We 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.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

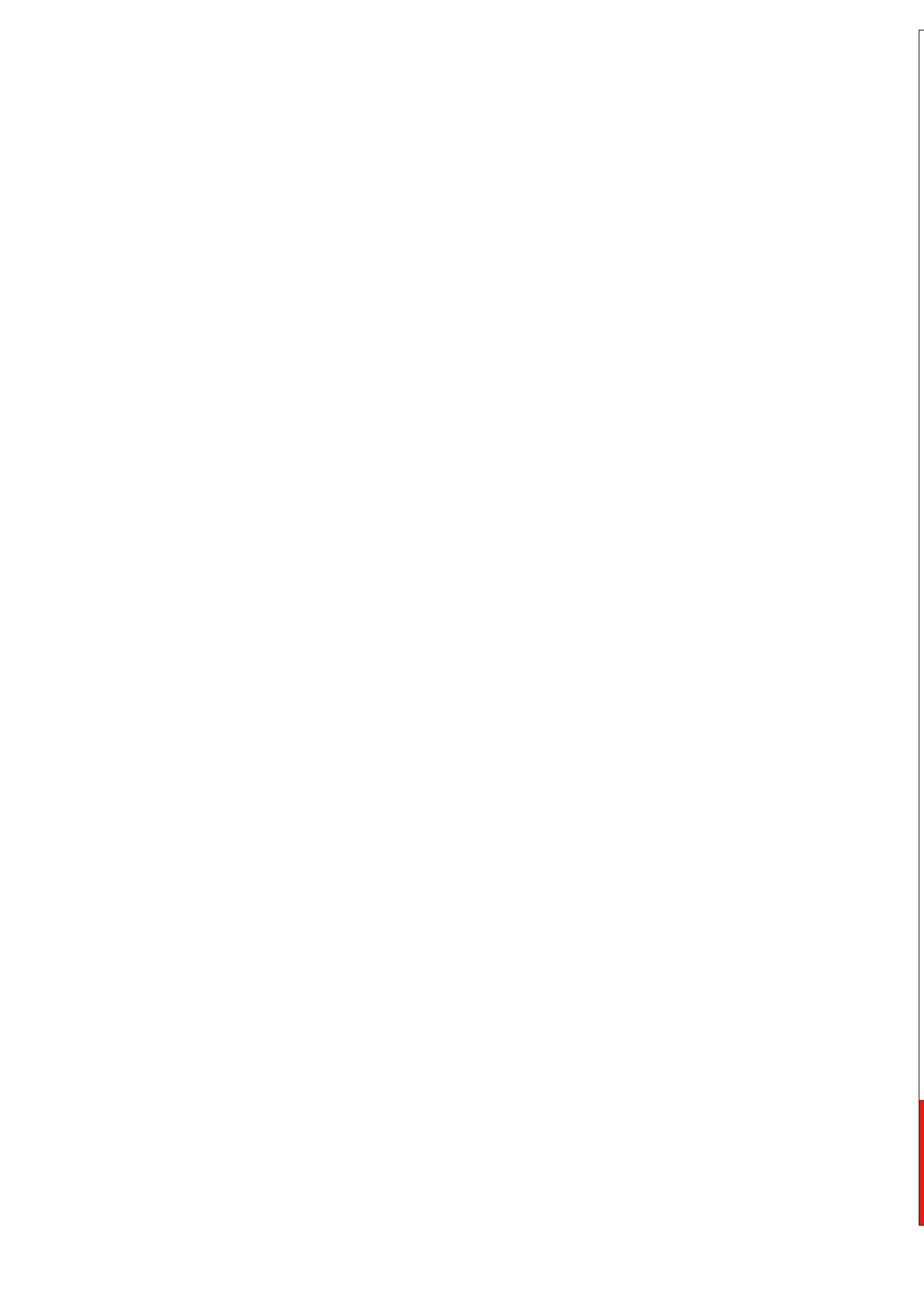
Signature:

Signature:
Joint/Company's Signatories

Company Seal (if applicable)

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

- | CLIENTELE | |
|---|--------------------------|
| 1. ABBEY MORTGAGE BANK PLC | <input type="checkbox"/> |
| 2. ADAMAWA STATE GOVERNMENT BOND | <input type="checkbox"/> |
| 3. AFRILAND PROPERTIES PLC | <input type="checkbox"/> |
| 4. AFRICA PRUDENTIAL PLC | <input type="checkbox"/> |
| 5. A & G INSURANCE PLC | <input type="checkbox"/> |
| 6. ALUMACO PLC | <input type="checkbox"/> |
| 7. A.R.M LIFE PLC | <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. GLOBAL SPECTRUM ENERGY SERVICES PLC | <input type="checkbox"/> |
| 26. MED-VIEW AIRLINE PLC | <input type="checkbox"/> |
| 27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc) | <input type="checkbox"/> |
| 28. NEXANS KABLEMETAL NIG. PLC | <input type="checkbox"/> |
| 29. OMOLUABI MORTGAGE BANK PLC | <input type="checkbox"/> |
| 30. PERSONAL TRUST & SAVINGS LTD | <input type="checkbox"/> |
| 31. P.S MANDRIDES PLC | <input type="checkbox"/> |
| 32. PORTLAND PAINTS & PRODUCTS NIG. PLC | <input type="checkbox"/> |
| 33. PREMIER BREWERIES PLC | <input type="checkbox"/> |
| 34. RESORT SAVINGS & LOANS PLC | <input type="checkbox"/> |
| 35. ROADS NIGERIA PLC | <input type="checkbox"/> |
| 36. SCOA NIGERIA PLC | <input type="checkbox"/> |
| 37. TRANSCORP HOTELS PLC | <input type="checkbox"/> |
| 38. TRANSCORP PLC | <input type="checkbox"/> |
| 39. TOWER BOND | <input type="checkbox"/> |
| 40. THE LA CASERA CORPORATE BOND | <input type="checkbox"/> |
| 41. UACN PLC | <input type="checkbox"/> |
| 42. UNITED BANK FOR AFRICA PLC | <input type="checkbox"/> |
| 43. UNITED CAPITAL PLC | <input type="checkbox"/> |
| 44. UNITED CAPITAL BALANCED FUND | <input type="checkbox"/> |
| 45. UNITED CAPITAL BOND FUND | <input type="checkbox"/> |
| 46. UNITED CAPITAL EQUITY FUND | <input type="checkbox"/> |
| 47. UNITED CAPITAL MONEY MARKET FUND | <input type="checkbox"/> |
| 48. UNITED CAPITAL NIGERIAN EUROBOND FUND | <input type="checkbox"/> |
| 49. UNITED CAPITAL WEALTH FOR WOMEN FUND | <input type="checkbox"/> |
| 50. UNIC DIVERSIFIED HOLDINGS PLC | <input type="checkbox"/> |
| 51. UNIC INSURANCE PLC | <input type="checkbox"/> |
| 52. UAC PROPERTY DEVELOPMENT COMPANY PLC | <input type="checkbox"/> |
| 53. UTC NIGERIA PLC | <input type="checkbox"/> |
| 54. VFD GROUP PLC | <input type="checkbox"/> |
| 55. WEST AFRICAN GLASS IND PLC | <input type="checkbox"/> |
| OTHERS: <input type="text"/> | <input type="checkbox"/> |
| <input type="text"/> | <input type="checkbox"/> |



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

8. *MOBILE (1) (2) 7. *DATE OF BIRTH

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

19. BANK VERIFICATION NO. (BVN)

20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN)

DECLARATION

I/We 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.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal (if applicable)

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

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPP AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc)
28. NEXANS KABLEMETAL NIG. PLC
29. OMOLUABI MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EUROBOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud



