2020

ANNUAL REPORT & FINANCIAL STATEMENTS

Improving Lives, Transforming Nigeria

2020 ANNUAL REPORT

& FINANCIAL STATEMENTS

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01 Overview

GROUP OVERVIEW

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 iconic Transcorp Hilton Abuja, Transcorp Hotels Calabar, Transcorp Power's 972 megawatt gas-fired power plant at Ughelli, Delta State, the recently acquired Trans Afam Power Limited, Okoloma village in Rivers State, and Oil Prospecting License 281. These businesses are owned and managed by Transcorp through its respective subsidiaries namely Transcorp Hotels Plc; Transcorp Hilton Lagos and Transcorp Hilton Port Harcourt currently being developed; Transcorp Power Limited; Trans Afam 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, **Enterprise, Excellence,** and **Execution,** which drive us towards a common sense of purpose to create long lasting value for our stakeholders.

ENTERPRISE

Having the willingness and determination to do whatever it legitimately and ethically takes to get the job done. In a competitive business environment, what sets us apart is our individual and collective responsibility to take ownership of our deliverables and deliver innovative initiatives.

EXCELLENCE

Delivering in an outstanding manner, consistently. Excellence is a mantra embedded in the heart of every employee. We go several steps beyond the norm to deliver measurable value to our stakeholders.

EXECUTION

A burning desire to always see things through to completion in a timely, efficient and effective manner. We believe in hard work and seeing ideas through from conception all through to achieving excellent results.

OUR BUSINESSES

Transcorp Hotels Plc

Transcorp Hotels Plc is the hospitality subsidiary of Transnational Corporation of Nigeria Plc, and owners of new digital hospitality platform Aura, the award-winning iconic Transcorp Hilton Abuja and the iconic Transcorp Hotels Calabar. Aura by Transcorp Hotels, through its digital platform, connects travellers to unique properties, restaurants and experiences backed by our hospitality brand.

With hospitality experience spanning over 30 years, Transcorp Hotels Plc aims to be Africa's leading hospitality brand, starting from Nigeria and 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 properties and innovative asset light collection, with several local and international awards, are paving the way as we continue to deliver superior guest experience and excellent service delivery across key locations.

Transcorp Power Limited

Transcorp Power Limited (Transcorp Power) is one of the power subsidiaries 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 been one of the top power generating companies (GenCos) in Nigeria in terms of electricity generated and wheeled onto 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.

Trans Afam Power Limited

Trans Afam Power Limited (TAPL) is the core investor in Afam GenCo, comprising of Afam Power Plc and Afam Three Fast Power Limited. The Afam GenCo Power Plant is located at Okoloma Village, in Oyigbo Local Government Area of Rivers State, approximately 40 km north of Port-Harcourt. The Power Plant includes five separate power plants (Afam I – V) owned by Afam Power Plc ("APP") and brand new Afam Three Fast Power Plant owned by Afam Three Fast Power Limited ("ATFPL"). The total installed capacity of the Plant is 966MW.

The acquisition of Afam GenCo takes us closer to our medium-term objective of generating 25% of power requirement in Nigeria. This acquisition also came with many advantages including closeness to gas supply, sufficient evacuation capacity and brand new 240MW Afam Three Fast Power turbines.

Our plan is to efficiently recover the capacity of the Afam GenCo, leveraging on our experience with running Transcorp Power Limited.

Transcorp OPL 281 Nigeria Limited

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

Transcorp OPL 281 Nigeria Limited continued its push towards developing the OPL 281 oil block and fulfilling work obligations under the Production Sharing Contract (PSC) entered into with the Nigerian National Petroleum Corporation (NNPC). The Company is focused on achieving its key objective of discovering hydrocarbons in commercial quantity and the resultant conversion of the oil prospecting license to an oil mining lease (OML).

RESULTS AT A GLANCE

Group	31-Dec-20 N'mn	31-Dec-19 N'mn	Inc/ (Dec) %
Gross Earnings	75,270	76,346	(1)
Cost of Sales	42,301	40,988	3
Gross Profit	32,969	35,357	(7)
Administrative Expenses	17,578	14,491	21
Profit /(Loss) before tax	1,608	7,898	(80)
Profit /(Loss) after tax	**3,792**	**3,705**	**2**
Non-Current Assets	231,386	205,565	13
Current Assets	106,808	107,667	(1)
Total Assets	338,195	313,133	8
Share Capital	20,324	20,324	0
Shareholders' fund	**114,409**	**108,738**	**5**
Basic Earnings per share	**(2)**	**4**	**(150)**

Company	31-Dec-20 N'mn	31-Dec-19 N'mn	Inc/ (Dec) %
Gross Earnings	2,726	3,174	(14)
Cost of Sales	-	-	-
Gross Profit	2,726	3,174	(14)
Administrative Expenses	1,187	1,697	(30)
Profit /(Loss) before tax	2,666	1,241	115
Profit /(Loss) after tax	**2,388**	**735**	**225**
Non-Current Assets	72,587	44,795	62
Current Assets	17,958	15,436	16
Total Assets	90,545	60,231	50
Share Capital	20,324	20,324	0
Shareholders' fund	**38,964**	**36,258**	**7**
Basic Earnings per share	**6**	**2**	**200**

BOARD OF DIRECTORS

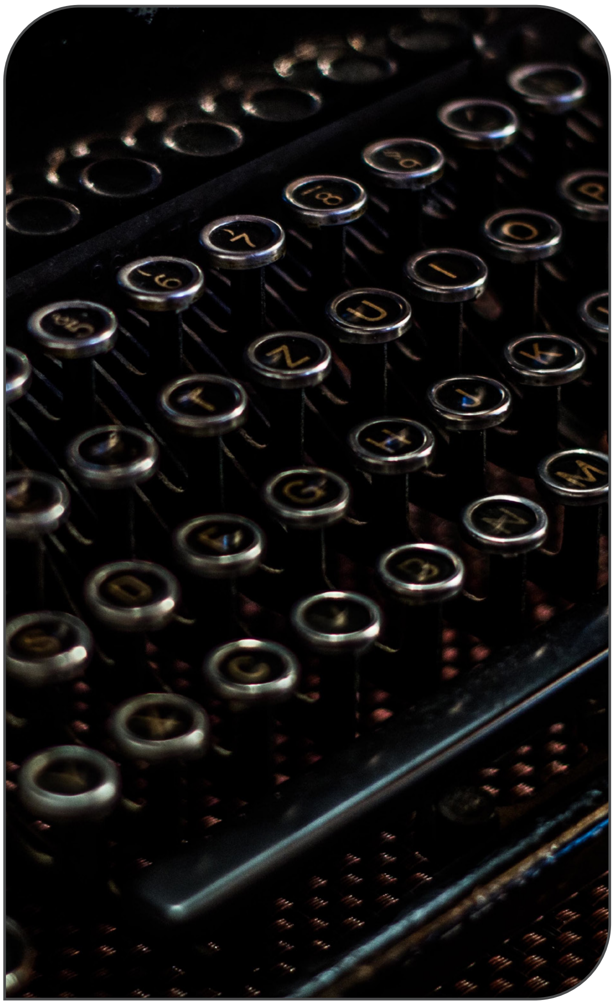







Mr. Tony O. Elumelu, CON	Chairman
Mrs. Foluke Abdulrazaq	Vice Chairman / Independent Non-Executive Director
Mrs. Owen Omogiafo	President/GCEO
Mr. Emmanuel N. Nnorom	Non-Executive Director
Mr. Valentine Ozigbo	Non-Executive Director
Dr. Stanley Lawson	Non-Executive Director
Ms. Obi Ibekwe	Independent Non-Executive Director
Mrs. Toyin Sanni	Non-Executive Director

OFFICERS AND PROFESSIONAL ADVISERS



Ag. Group Company Secretary
Mr. Chike Anikwe

Registered Office
38, Glover Road
Ikoyi, Lagos, Nigeria

Auditors
Deloitte & Touché
Civic Towers, Plot GA
1 Ozumba Mbadiwe Avenue
Victoria Island
Lagos, Nigeria

Bankers
United Bank for Africa Plc
First Bank of Nigeria Plc

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

DIRECTORS' PROFILE

Mr. Tony O. Elumelu, CON
Chairman

Mr. 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, through long-term investments in strategic sectors of the African economy, including financial services, hospitality, power, energy, technology and healthcare.

Tony is the Chairman of pan-African financial services group, the United Bank for Africa Plc (UBA), which operates in 20 countries across Africa, the United Kingdom, France, and is the only African bank with a commercial deposit taking presence in the United States. UBA provides corporate, commercial, SME and consumer banking services to more than 21 million customers globally. He also chairs Nigeria's largest quoted conglomerate, Transcorp, whose subsidiaries include Transcorp Power, one of the leading producers of electricity in Nigeria and Transcorp Hotels Plc, Nigeria's foremost hospitality brand.

He is the Founder and Chairman of Heirs Oil & Gas, an upstream oil and gas company, whose assets include Nigerian oil block OML17 with a current production capacity of 27,000 barrels of oil equivalent per day and 2P reserves of 1.2 billion barrels of oil equivalent, with an additional 1 billion barrels of oil equivalent resources of further exploration potential. Heirs Oil & Gas is committed to creating resource based added value on the African continent.

Tony is the most prominent champion of entrepreneurship in Africa. In 2010, he created The Tony Elumelu Foundation (TEF), the pan-African philanthropy empowering a new generation of African entrepreneurs, catalysing economic growth, driving poverty eradication and driving job creation across all 54 African countries. Since inception, the Foundation has funded over 10,000 entrepreneurs and created a digital ecosystem of over one million Africans, as part of a ten year, US$100m commitment, implemented through its flagship Entrepreneurship Programme.

Self-funded, the Foundation is increasingly sharing its unique ability to identify, train, mentor and fund young entrepreneurs across Africa, with institutions such as the United Nations Development Programme, the International Committee of the Red Cross and other global development agencies. His businesses and Foundation are 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 African continent.

Tony sits on a number of public and social sector boards, including the Global Advisory Council of the Harvard Kennedy School's Centre for Public Leadership, World Economic Forum Community of Chairmen and the Global Leadership Council of UNICEF's Generation Unlimited. In 2020, in recognition of his business leadership and economic empowerment of young African entrepreneurs, he was named in the Time100 Most Influential People in the World, and recognised with Belgium's oldest and highest royal order.

Mrs. Foluke Abdulrazaq
Vice Chairman/
Independent
Non-Executive Director

Mrs. Foluke Abdulrazaq holds an M.Sc degree in Banking and Finance from the University of Ibadan. Mrs. Abdurazaq has also held, over a period of twenty years, a series of senior positions in the Nigerian financial services sector, including her appointment by the Central Bank of Nigeria/NDIC in September 1995, as the Executive Chairman of the Interim Management Board of Credite Bank Nigeria Limited.

Mrs. Abdulrazaq has held several major board positions, including being a Director on the Board of Julius Berger. She served on the Board of United Bank for Africa Plc (UBA) as a Non-Executive Director from 2008 to 2020, when she retired as the Chairperson of the Board Credit Committee. She is a Council member of the Bank Directors Association of Nigeria (BDAN) and a member of the Institute of Directors (IOD).

Mrs. Abdulrazaq additionally has considerable experience in the public sector. Her public service career includes serving as a Commissioner in the Ministries of Finance and Women Affairs in Lagos State, when during her tenure, the broad policies that led to the State's Accelerated Revenue Generation Programme (ARGP) were formulated. She was also the Chairman of the State's Tenders' Board, a member of the Federal Accounts Allocation Committee (FAAC), and the State's Executive Council. She received the 'Lagos State Women of Excellence' Award in 1999 and is also a Justice of Peace (JP).

Mrs Abdulrazaq is currently a member of the Governing Council of Lagos State University (LASU) and a member of the Board of Trustees of Fountain University, Oshogbo, Osun State.

She runs Bridge House College, Ikoyi, Lagos, a sixth-form College that offers first class pre-University foundation and A 'Levels for students seeking university education in Nigeria and overseas.

Mrs. Owen Omogiafo
President/GCEO

Mrs. Owen Omogiafo is the President and Group CEO of Transnational Corporation of Nigeria Plc. Prior to her appointment, she served as the MD/CEO of Transcorp Hotels Plc where she was responsible for driving positive transformation both in Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Owen has over two decades of corporate experience in organisational development, human capital management, banking, change management, hospitality, and energy. She was the Chief Operating Officer at the Tony Elumelu Foundation, before joining the Transcorp group, where she oversaw the $100m Programme aimed at identifying, mentoring, and funding 10,000 entrepreneurs over 10 years. She also worked as the Director of Resources at Heirs Holdings Limited, a family-owned investment company chaired by Tony O. Elumelu, CON.

Her 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 sits on the Board of Avon Healthcare Limited in a Non-Executive capacity and is a member of the Finance, Investment & Risk Committee as well as the Audit & Governance Committee of the Company. She is also a member of the Board of Trustees of the Association of Power Generation Companies (APGC) in Nigeria.

Owen 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 a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, and is a member of the Institute of Directors (IoD) Nigeria.

In recognition of her many contributions to the economic and social development of Nigeria, Owen has won numerous awards. To mention a few, in 2018 she was named in the YNaija! Power List for Corporate Nigeria while in 2019; was recognised as one of the Top 100 Female CEOs in Africa by Reset Global People as well as one of Nigeria's Leading Ladies in Corporate Nigeria by Leading Ladies Africa; and was also recognised by The Guardian Newspapers as one of Nigeria's 100 most inspirational women. Recently, she was listed among the 100 Most Influential African Women in 2020 by the Avance Media Group. Owen has also been awarded one of the 2020 Top CEOs and Next Bulls Awards in Nigeria by Business Day Media and the Nigerian Stock Exchange. This award category recognized CEOs of listed companies who through sound strategy, disciplined execution, world-class governance, and a customer-first ethos have delivered competitive shareholder value on the Nigerian Stock Exchange.

Mr. Emmanuel N. Nnorom
Non-Executive Director

Mr. Emmanuel N. Nnorom is the Group CEO of Heirs Holdings. 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. Prior to Transcorp, Emmanuel had held senior positions at Heirs Holdings and served as an Executive Director at United Bank for Africa Plc (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, 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.

Mr. Valentine Ozigbo
Non-Executive Director

Mr. Valentine Chineto Ozigbo was the past President/GCEO of Transcorp Plc. Prior to this, he was the Managing Director and CEO of Transcorp Hotels Plc. 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), Nsukka. He is an alumnus of the Global CEO Program of the Lagos Business School, Strathmore University Business School and the IESE Business School.

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 International Bank Plc (now Fidelity Bank Plc), Continental Trust Bank Limited (now part of UBA) and Diamond Bank Plc.

Dr. Stanley I. Lawson
Non-Executive Director

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.

Mrs. Obi Ibekwe
Independent
Non-Executive Director

Ms. 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, and is certified in Strategic Human Resources Leadership by Cornell University, Ithaca, NY.

She has over two decades of experience in Banking, holding key management positions spanning Legal, 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 2016.

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.

Mrs. Toyin Sanni
Non-Executive Director

Mrs. Toyin F. Sanni is the Founder and Chief Executive Officer of Emerging Africa Capital. Prior to these positions, she served as the Group Chief Executive Officer at United Capital Plc from January 2014 until June 30, 2018, and 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, CIIA, 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 Masters degree, LL.M (Hons) from the University of Lagos. She has authored three books including "Riding the Eagle – A Guide to Investing in Nigeria".

CEOS OF SUBSIDIARIES

Christopher Ezeafulukwe
MD/CEO, Transcorp Power Limited

Christopher Ezeafulukwe is the MD/CEO of Transcorp Power Limited. Prior to his appointment as MD/CEO, Chris was Executive Director of Transcorp Plc, responsible for Business Development and Legal, where he was responsible for deepening Transcorp Plc's power business and developing its oil and gas assets.

Chris, who is an alumnus of Lagos Business School, Lagos and IESE Business School, Spain, 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.

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

Dupe Olusola
MD/CEO, Transcorp Hotels Plc.

Dupe Olusola is the MD/CEO of Transcorp Hotels Plc, where she oversees the Company's strategic objectives at its properties, Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Dupe has over 21 years' corporate experience spanning various sectors locally and internationally. Before joining Transcorp Hotels, Dupe was the Group Head, Marketing for United Bank for Africa Plc, one of Africa's leading financial services providers. Prior to this, 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 was 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 in capacities that encompass private equity from African Capital Alliance, investments and SME experience from Growing Business Foundation, Bloomberg Financial Markets UK, SecTrust (now Afrinvest), Transcorp Corporation 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.

Peter Ikenga
MD/CEO, Transcorp Energy Limited

Peter Ikenga is the MD/CEO of Transcorp Energy Limited and is responsible for driving the Group's integrated energy strategy. Peter is a value driven and result oriented oil and gas professional with a wealth of global experience, having directly developed or managed major oil, gas and power assets and operations in multiple regions including Nigeria, Brazil and United States of America. Prior to joining Transcorp, he was the Refining Director for Niger Delta Exploration and Production Limited.

Peter's oil and gas industry experience spans upstream, midstream and downstream. He previously held senior technical, business and commercial leadership positions in new business/asset development, project management, engineering management and operations support. His roles include developing multi-billion-dollar projects, managing non-operated asset portfolio, overseeing strategic acquisition opportunities, negotiating contracts and strategic partnerships, optimising production operations and leading the full execution, construction and commissioning of major projects.

Peter started his oil and gas career in 1996 as a facilities engineer with Shell Petroleum Development Company Limited. Prior to oil and gas, he had a brief stint in the banking industry with Diamond Bank Limited. Peter earned a Bachelor of Engineering degree in Electrical and Electronics Engineering from Federal University of Technology Owerri, Nigeria and a Master of Business Administration degree from The University of Texas at Austin, United States of America.

Vincent Ozoude
MD/CEO, Trans Afam Power Limited

Vincent Ozoude is the MD/CEO Trans Afam Power Limited. He was appointed to lead the newly acquired 966MW Power Plant asset located in Okoloma-Ndoki, Oyigbo LGA, Rivers State. He leads the team charged to bring in the transformation of the Trans Afam Power asset into a notable leading power generation company in Nigeria and West Africa.

Before joining Trans-Afam, Vincent worked for over 15 years in General Electric's International Operations in the various business segments such services, operations, sales and commercial.

Vincent started his GE career as a Field Engineer to the Project Manager and rose to become the Sub Saharan Africa Sales Director, covering the entire sub Saharan Africa for General Electric Power Generation Services portfolio, covering nearly 300 Gas Turbine installed base fleet across numerous GE customers in the region. He was also a member of the Field Engineering Advisory Board for Africa, India & Middle East while in the services arm of the business. Vincent led numerous successful complex projects while in the GE service arm such as the first Gas Turbine modular change out (Flange to Flange replacement) on a Frame 7EA Train 1 production plant at Nigeria Liquified Natural Gas complex in Bonny Island. He won numerous awards such as Everyday Excellence Expertise Award from GE Global leadership, Clear Thinker Award and Imagination and Courage Award for always executing with integrity by the Power Services Africa, India & Middle East (AIM Region) leadership.

With over 20 years' work experience, Vincent holds a degree in Chemical Engineering from Enugu State University and currently completing an M.Eng in Chemical Engineering from the same Institution. He is a member of Nigeria Society of Engineers (NSE), Council for the regulation of Engineering in Nigeria (COREN) and is Green belt (lean six sigma) certified.

EXECUTIVE MANAGEMENT TEAM

Owen Omogiafo
President/GCEO

Mrs. Owen Omogiafo is the President and Group CEO of Transnational Corporation of Nigeria Plc. Prior to her appointment, she served as the MD/CEO of Transcorp Hotels Plc where she was responsible for driving positive transformation both in Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Owen has over two decades of corporate experience in organisational development, human capital management, banking, change management, hospitality, and energy. She was the Chief Operating Officer at the Tony Elumelu Foundation, before joining the Transcorp group, where she oversaw the $100m Programme aimed at identifying, mentoring, and funding 10,000 entrepreneurs over 10 years. She also worked as the Director of Resources at Heirs Holdings Limited, a family-owned investment company chaired by Tony O. Elumelu, CON.

Her 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 sits on the Board of Avon Healthcare Limited in a Non-Executive capacity and is a member of the Finance, Investment & Risk Committee as well as the Audit & Governance Committee of the Company. She is also a member of the Board of Trustees of the Association of Power Generation Companies (APGC) in Nigeria.

Owen 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 a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, and is a member of the Institute of Directors (IoD) Nigeria.

In recognition of her many contributions to the economic and social development of Nigeria, Owen has won numerous awards. To mention a few, in 2018 she was named in the YNaija! Power List for Corporate Nigeria while in 2019; was recognised as one of the Top 100 Female CEOs in Africa by Reset Global People as well as one of Nigeria's Leading Ladies in Corporate Nigeria by Leading Ladies Africa; and was also recognised by The Guardian Newspapers as one of Nigeria's 100 most inspirational women. Recently, she was listed among the 100 Most Influential African Women in 2020 by the Avance Media Group. Owen has also been awarded one of the 2020 Top CEOs and Next Bulls Awards in Nigeria by Business Day Media and the Nigerian Stock Exchange. This award category recognized CEOs of listed companies who through sound strategy, disciplined execution, world-class governance, and a customer-first ethos have delivered competitive shareholder value on the Nigerian Stock Exchange.

Chike Anikwe
Ag. Group Company Secretary

Chike Anikwe serves as Company Secretary of 6 active companies within the Transcorp Group, including Transcorp Hotels Plc and Transcorp Power Limited. Chike joined Transcorp Plc in 2013 as Legal Manager; in 2017, his role 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 & Oyebode, 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 Finance 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 a trained Governance, Risk and Compliance (GRC) Consultant and a seasoned audit professional with over 13 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.

She 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 (ICAN) and is also a member of the Institute of Internal Auditors (IIA).

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.

Gabriel Nkanga
Director of Resources

Gabriel Nkanga is a prolific HR Professional with 20 years of experience spaning across the Oil and Gas and Telecommunication industries. Over the years, he has demonstrated success in driving Change Management, Employee Engagement, Design & implementation of learning & development frameworks, Talent Management, Resourcing, and Performance management.

Gabriel's core experience is in Training and Development, Organization Development, Talent Acquisition, and Business Partnering.

With a first degree in Communication Arts from the University of Uyo and an MBA from the Enugu State Business School, he is also a member of the Chartered Institute of Personnel Management (CIPM).

Before joining Transcorp, he worked at Airtel Nigeria Limited, as HR Business Partner covering Lagos, West, and South Region.

George Enema
Head, Marketing and Corporate Communications

George Enema is a trained creative Marketing and Communications Professional with 17 years' extensive work experience in the Advertising, Information Technology and Manufacturing sectors.

He is skilled in business operations, brand building, Public, Government & External Relations. He is skilled in business operations, brand building, public, government and external relations and having worked with major multinational companies across West Africa.

George is a certified member of the Chartered Institute of Marketing UK and an associate member of the Advertising Practitioners Council of Nigeria, in addition to the National Institute of Marketing of Nigeria.

His last role prior to joining Transcorp was with Unilever Plc, where he developed cross-functional brand building and management expertise, working across the laundry, skin care and foods business categories. He believes in a purpose driven life and continues to live his personal purpose to "unleash the potentials of young adults, helping them evolve into productive members of the society."

Ilobekemen Idiake
Head, Strategy & Business Transformation

Ilobekemen Idiake serves as Head, Strategy & Business Transformation of Transnational Corporation of Nigeria Plc responsible for driving the Group's strategy, new business development and business transformation. She has over 12 years' experience providing consulting and investment advisory services to clients across various sectors of the economy.

She holds a B.Sc degree in Accounting (Second Class Upper Division) from Babcock University and an M.Sc. Financial Economics from the University of Leicester, United Kingdom. She is also a qualified Chartered Accountant of the Institute of Chartered Accountants of Nigeria.

Prior to joining Transcorp, she was a Manager in the Strategy & Transactions unit at Ernst & Young, leading engagement teams that provide advisory services to a myriad of clients including private equity funds, principal investment firms, strategic and public entities. She has also worked in several investment banking/advisory firms including Chapel Hill Advisory Partners Limited, United Capital Plc and FBN Capital Limited.

02

Strategy and Business Review

CHAIRMAN'S STATEMENT

Tony O. Elumelu, CON
Chairman

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, I welcome you to the 15th Annual General Meeting of Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company"). I am pleased to present the Group's operating results and key achievements for the financial year ended 31 December 2020.

2020 was, as we all know, without question challenging. I hope you and your families have stayed safe, during these testing times. The COVID-19 pandemic has caused significant economic distress globally, and we have felt that keenly in Nigeria. My hope is that an equitable distribution of vaccines, and proactive policy making, that speaks to all our society, will allow us to rapidly look forward.

In accordance with my responsibility as Chairman, I present to you our annual report for financial year 2020, highlighting the achievements of our operating divisions and setting out our key objectives for 2021.

GLOBAL ECONOMY – SURVIVING THE PANDEMIC

The slowdown in the global economic growth witnessed in 2019, worsened in 2020 with the outbreak of the COVID-19 Pandemic. It is estimated that more than one million lives have been lost while about 90 million people have fallen into extreme deprivation due to the pandemic. Countries implemented stringent lockdowns, closing business activities and imposing restrictions on movement of people. This led to the global economy entering recession. The International Monetary Fund (IMF) estimated that the world economy contracted by -3.5% in 2020, as against a growth of 2.8% in 2019.

Many countries responded to the economic crises with a variety of fiscal countermeasures aimed at reducing the losses to households, encouraging employment, and expanding borrowing. These measures, together with the gradual reopening of the economy at the second half of the year have begun to have some impact. In 2020, according to IMF, US economic growth was estimated to have weakened by -3.4%, while that of the Eurozone was estimated to have dropped by -7.2%. Emerging markets and Sub-Saharan Africa's economic growth were estimated to have contracted by -2.4% and -2.6% respectively.

The outlook for 2021 gives ground for cautious optimism. Considerable progress has been made in the development of vaccines. A general roll out of the vaccine early in 2021 is expected to minimise transmission and put the economy back into a part of recovery. The IMF's projection for global growth in 2021 is 5.5%. Progress with vaccines and treatments, effective containment of the virus spread, continuous fiscal support, large scale public and private investments, as well as reduction in international trade restrictions are key drivers for a more promising 2021.

NIGERIA ECONOMY – A SHOCK LIKE NO OTHER

The Nigerian economy was severely impacted by the impact of the Covid-19 pandemic, with restrictions of movement, closure of schools and commercial centres, as well as suspension of flights to curtail the spread of the virus. Torn between saving lives and saving livelihood, the Federal Government of Nigeria (FGN) eased the lockdown in May 2020, based on a phased approach of reopening the economy. The economy slipped into another recession as GDP contracted in Q2 and Q3 2020. The decline in Nigerian economic growth in 2020 was estimated at -4.4% by the Africa Development Bank.

In order to minimise the impact of the economic shock, a number of fiscal and monetary policy stimulus measures were launched by the Federal Government. The FGN established a N500b credit facility to support the heath care facilities and incentivise employers to retain their work force. The FGN, through the CBN, also implemented an additional N50 billion credit facility to ease COVID 19's effect on the hospitality sector and other critical sectors. Other measures include reduction in interest rates and an additional moratorium on CBN intervention funds. Amid pressure on both oil and non-oil revenue, the FGN was also forced to take bold actions, including increasing electricity tariffs and partial deregulation of the petrol pump price.

Looking ahead, the outlook for the Nigerian economy in 2021 is modest, with the IMF and ADB estimating a 1.5% and 0.7% growth, respectively. Increased economic activity, and some improvements in the oil market are critical to the achievement of this performance.

STAYING AHEAD IN A DIFFICULT LANDSCAPE

The pandemic significantly affected our business performance, particularly within the hospitality segment. Despite these challenges, your company remained resolute in its plan to achieve its long-term growth agenda and deliver value to its shareholders. We made significant progress in deepening our play in sectors in which we operate (power, hospitality and oil and gas) and in expanding into new businesses. I present below our performance in these sectors.

THE POWER SECTOR

The power sector is classified as essential service and as a result, Transcorp Power Limited and its staff were exempted from the restriction of movement associated with the lockdown announced both at the federal and state government levels. Accordingly, the operations of Transcorp Power Limited were not materially affected by the pandemic. In addition, the company was able to further deal with the challenging time brought about by the pandemic through excellent execution of pro-active contingency and business continuity plans, as well as full compliance with all local regulations and guidelines. I am delighted to state that we were able to operate throughout the year based on our scheduled capacity.

As a result of strategic measures taken by management in 2020, we made considerable progress in the resolution of gas challenges which hindered optimum utilisation of our plant capacity in 2019, which led to increase in gas supply to our plant. We have continued to take measures to ensure consistent gas supply.

We also activated the Gas Supply and Aggregation Agreement (GSAA) with our gas suppliers. This has ended the best-endeavour arrangement which we had prior to the activation. Our gas suppliers now have a contractual obligation to us of 124mmscf of gas supply per day, resulting in assured gas supply. To further strengthen our gas supply position, we have executed an agreement with the Gas Aggregation Company of Nigeria (GACN) for the supply of additional 50mmscf of gas per day. Your company is also exploring gas supply from other gas producers, to diversify our supplier base. Our long-term integrated energy strategy foresees us securing gas requirements, through our OPL 281 asset.

The Federal Government continues to support payment in the power sector through the N600b Payment Assurance Plan (PAP) Fund. The fund guarantees payment of 100% of invoices submitted by GENCOs. 2020 saw the introduction of the Service Reflective Tariff (SRT), which aims at creating a self-sustaining electricity market in Nigeria and at achieving equitable billing. This is expected to increase remittance to the Gencos and further ease the liquidity challenges within the sector. We continue to engage with the Nigerian Bulk Electricity Trading Plc (NBET) and the Federal Government on the payment of legacy debts prior to January 2017. Resolution of the legacy debts will provide a substantial solution to the liquidity issues in the power sector.

Our membership of the West African Power Pool has begun to yield results, as I am happy to inform you that Transcorp Power Limited commenced the international sale of electricity in the West Africa regional electricity market. This provides us opportunity to make good use of our stranded capacity and allows us to earn revenue in foreign currency.

Inadequate transmission and distribution infrastructure, poor liquidity and non-cost reflective tariff continue to be the major obstacles to efficiency for the power sector and the resolution of these issues will allow the generation companies to deliver on their mandates. Electricity is the critical foundation in any economy and should, therefore continue to remain the key priority of our Government.

Our confidence in the sector was illustrated by the $300m acquisition of the two Afam Power Plants in November 2020, which I will discuss later, and represent a further implementation of your company's long-term strategy, to create value and deliver robust power supply to our nation.

THE HOSPITALITY SECTOR

In the hospitality industry, Transcorp Hotels Plc started the year 2020 optimistic, based on the recently concluded, over $120m refurbishment of the Transcorp Hilton property, and seeking to surpass the revenue performance achieved in 2019. With the outbreak of the Pandemic, the local and global hospitality industry was negatively impacted. As a nimble organisation, to minimise the effect of the pandemic on the company, management took several initiatives, including promotion of safety among stakeholders, introduction of new product lines to delight the customers and optimisation of cost to further drive operational efficiency. Transcorp Hotels Plc has embraced the changes created by the pandemic and reinvented itself to take advantage of the opportunities created by the shifting guest behaviours and the new norm.

Transcorp Hotels Plc successfully raised N10b additional capital by way of a rights issue on the Nigeria Stock Exchange, and we thank shareholders again for their confidence. The proceeds from the rights issue were used in retiring corporate debt. This will substantially address the impact of interest expense on the company's financials and liquidity challenges occasioned by the pandemic.

Service excellence remains the cornerstone of our offering. Transcorp Hilton Abuja, was once again, acknowledged locally and internationally as a world-class hospitality provider. The hotel was honoured with many awards, including four major awards from the 2020 World Travel Awards (our sixth consecutive year of winning the awards) and two major awards from the 2020 TripAdvisor's Travellers' Choice Award for its hotel services and the Bukka Restaurant.

HIGHLIGHTS OF 2020 FINANCIAL PERFORMANCE

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

- Gross Earnings for the Group reduced slightly to N75.3 billion in 2020 from N76.3 billion in 2019. Gross earnings for the Company reduced to N2.7 billion in 2020 from N3.2 billion in 2019

- Profit Before Tax for the Group reduced to N1.6 billion in 2020 from N7.9 billion in 2019. Profit Before Tax for the Company increased to N2.7 billion in 2020 from N1.2 billion in 2019.

- Profit After Tax for the Group increased to N3.8 billion in 2020 from N3.7 billion in 2019. Profit After Tax for the Company increased to N2.4 billion in 2020 from N0.7 billion in 2019.

- The Group's total asset grew to N338.2 billion in 2020 from N313.1 billion in 2019 while the Company's total asset increased to N90.5 billion from N60.2 billion in 2019.

TOWARDS EXCELLENT EXECUTION IN 2021

As we slowly overcome the Covid-19 pandemic and its economic impact, we believe that excellent execution of our strategic initiatives is fundamental to our success as a company. This is also critical in insulating ourselves from future systemic challenges. In this light, we will pursue the agenda below in 2021.

Transcorp Power Limited

We have significantly addressed supply issues, to the benefit of the company. Our focus for 2021 is to increase our available capacity taking into consideration the limitations in the nation's transmission infrastructure. To this end, three of our generating turbines which were strategically taken out of inventory for refurbishment during the year will be returned to operation in 2021. These turbines contribute about 300MW to our available capacity. This, together with the assured gas supply, provides a solid foundation for a strong performance in 2021.

We plan to further consolidate on the existing benefits from our membership of the West African Power Pool (WAPP) by expanding our electricity sales across the West African regional market. We will equally continue our engagement with NBET and Federal Government in finding a practical solution to the legacy debt owed to Transcorp Power Limited.

Transcorp Hotels Plc

We will continue to drive the new product lines introduced by Transcorp Hotels Plc in 2020. These include a drive-in cinema, outdoor catering services, laundry services, amongst others. In addition to sweating our existing assets, we intend to take full advantage of these additional lines in 2021. To further pursue our strategy for an asset light business model, the hotel is at the final launch stage of a unique and world class business line. This business line will leverage technology to increase the company's footprint across Africa, delivering our ambition of being Africa's Leading Hospitality Brand". In addition, we plan to optimise our existing facilities through the conversion of our warehouse to becoming the Transcorp Event Centre.

Transcorp OPL 281

Despite the impact of Covid-19 pandemic and the lockdown, which resulted in further delay in the execution of our OPL 281 agenda in 2020, we were able to achieve significant progress in laying a strong foundation for the drilling of an exploratory well in 2021.

I am happy to inform you that the company has effectively resolved the legal dispute with Sacoil Holdings (now Efora Energy). This step has paved way for our planned development of the OPL 281 asset, without any legal constraints.

I am also happy to inform you that the Company has appointed Mr. Peter Ikenga, a leading oil & gas expert of international repute as the MD/CEO of Transcorp Energy, driving our integrated energy strategy.

Trans Afam Power Limited

Your company has successfully concluded the 100% acquisition of Afam Genco (Afam Power Plc and Afam Three Fast Power Limited), having paid the initial 25% deposit. Trans Afam Power Limited, a new subsidiary of Transcorp, on 5 November 2020 officially took ownership of the Afam Genco, following a handover ceremony hosted by the Federal Government. This moves us closer to our medium-term objective of having 2,500MW installed capacity and longer term one of generating 25% of the total power requirement in Nigeria. This new addition is also transformational, as it will usher in a new era of economic growth and development for our country and create economic prosperity for all our stakeholders.

I am happy to inform you that the Company has appointed Engr. Vincent Ozoude, a leading energy expert of strong repute as the MD/CEO of Trans-Afam Power Limited. He will drive our goal of efficiently recovering the capacity of the Afam Genco, leveraging on the unparallel progress that we made at Transcorp Power Limited, Ughelli.

BOARD CHANGES

During the year, important changes occurred to the Board and management of the company, as we continued to invest in our human capital. Owen Omogiafo, who previously was the MD/CEO of Transcorp Hotels Plc, was appointed as the President/GCEO of the Company to succeed Valentine Ozigbo who retired during the year. Mr. Ozigbo was thereafter appointed as a Non-Executive Director of the company, while Dupe Olusola was appointed to succeed Owen Omogiafo as the MD/CEO of Transcorp Hotels Plc. Also, Christopher Ezeafulukwe, who previously was an Executive Director of the company, was appointed as the MD/CEO of Transcorp Power Limited, to succeed Kalyana Sundaram who retired during the year.

In addition, Okaima Ohizua, who previously was an Executive Director of Transcorp Hotels Plc, was appointed as Executive Director of Transcorp Power Limited, while Helen Iwuchukwu was appointed as a Non-Executive Director of Transcorp Hotels Plc, following her retirement as an Executive Director of the Hotel.

Finally, Mrs. Foluke K. Abdulrazaq was appointed as Vice Chairman/ Independent Non-Executive Director of the company.

On behalf of the Board, I would like to express our gratitude to the retired Directors for their meritorious service and wish them well in their future endeavours. I welcome the new Directors and I am very confident that they will accelerate growth in all spheres of our business. I am particularly delighted to welcome such extraordinary female talent to senior leadership roles, exhibiting once again, our commitment to creating a diverse and inclusive working environment.

APPRECIATION

Despite the economic challenges of 2020, your company's Board and management remain steadfast in their efforts to consolidate on 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 life 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 also thank the Board of Directors, management and staff for their invaluable contribution towards the continued progress of our Company.

Thank you.

Tony O. Elumelu, CON
Chairman, Board of Directors

CEO'S REPORT

Owen Omogiafo
President/Group CEO

Distinguished Shareholders, Directors, Ladies and Gentlemen, I am pleased to welcome you to the 15th Annual General Meeting of your company, Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company") and present to you the financial and operating results of the Company for the year ended 31 December 2020.

ECONOMIC AND SECTORAL OVERVIEW

The Nigerian economy experienced one of the deepest recessions in recent times due to the impact of the Covid-19 pandemic and the accompanying health and economic shocks. The GDP contracted by -3.0% in 2020 compared to the growth of 2.2% experienced in 2019. The contraction in the economy was largely due to the sharp drop in the oil prices and production. Oil prices averaged US$43.2/bbl. in 2020 compared to the 2020 initial budget assumption of US$57.0/bbl. while oil production averaged 1.59mb/d compared to the initial budget assumption of 2.18mb/d. Reduction in foreign capital inflow and disruptions in travel and tourism were also among contributing factors.

In order to return the economy to the path of growth and mitigate Covid-19 impact on households and businesses, the Monetary Policy Committee (MPC) of the CBN, during the year, voted to reduce the MPR twice at the meetings held in May and September, respectively. Consequently, the MPR was reduced to 11.5% and the asymmetric corridor around the MPR was revised to +100/-700bps. The Cash Reserves Ratio (CRR) was increased to 27.5% while the liquidity ratio was retained at 30.0%. CBN also reduced the interest rates and granted additional moratorium on all its subsidized intervention loan facilities, most especially those granted to the worse affected sectors such as tourism and hospitality.

The CBN devalued the Naira on its official and I&E windows as it closed at N379.5 and N386 to the Dollar at the official and I&E windows respectively in 2020. This became necessary with the dwindling foreign reserve which closed at US$35.4 billion in 2020, representing about 9% decline from US$39 billion in 2019. The decline in foreign reserves was as a result of significant drop in oil prices and reduction in production which adversely impacted fiscal revenue.

In the power sector, pipeline vandalism and infrastructural deficit continue to account for slow growth in gas supply to the Generating Companies (Gencos). Transcorp Power Ltd during the year, made considerable progress in managing these challenges through some strategic initiatives implemented by management, which led to more stable gas supply to the plant. It is noteworthy to mention that we activated the Gas Supply and Aggregation Agreement (GSAA) with our gas suppliers, thus assuring gas supply to the plant. Leveraging the gas supply assurance from this agreement, we are positioned to increase our power generation capacity and by so doing increase the quantum of power wheeled from our plant to the national grid. We will continue to explore new sources of gas supply beyond existing arrangements, including leveraging our OPL 281 asset, to drive our gas-to-power strategy.

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 a number of transmission infrastructure challenges during the year, which limited TPL's ability to evacuate generated power into the National grid. One of the two 330kV transmission lines that evacuate power from our plant tripped at different times within the year resulting in the reduction of evacuation capacity of our plant. There were also a number of national grid collapse during the year. Nonetheless, we will continue to lead advocacy on the need to sustainably address the challenges in the power sector, especially the infrastructure deficit through the on-going power infrastructure rehabilitation projects across the country. The Federal Government has stated its readiness to invest in the transformation of the power sector via the Presidential Power Initiative. This initiative is targeted at phased increase in the capacity of the national grid from 5,000 MW to 25,000 MW.

Amid the COVID-19 pandemic, the Federal Government continues to take steps towards addressing the challenges of the power sector. These steps include support for payments within the value chain. The Nigerian Bulk Electricity Trading Plc (NBET) made considerable payments from the outstanding receivables to power generation companies and gas suppliers in accordance with the N601b Payment Assurance Facility. The Facility guarantees payment of 100% of the monthly invoices of the Gencos. Our target is to fast-track payment of our invoices, so all arrears are cleared.

The increased gas supply together with improved liquidity resulted in upswing in power production during the year. Transcorp Power Ltd's average daily generation moved from below 300MW in 2019 to about 350MW in 2020. Transcorp Power Ltd continues to maintain its position among the leading Gencos in Nigeria, notwithstanding the challenges.

Our hospitality business started the year with a very strong performance. However, the outbreak of the Covid-19 pandemic with its attendant impact, resulted in a dip in our performance, arising from the closure of airports, cancellation of flights and official lockdown of the FCT and other parts of the country to curtail the spread of the coronavirus.

In response to the outbreak, management successfully implemented several precautionary measures to ensure the safety and security of all its guests and team members against the Covid-19 virus. The hotel extensively promoted its CleanStay programme to reassure guests of its high safety standards. On the backdrop of this, the hotel received certification for large event gatherings from the Ministry of Health. As part of the strategy to improve operational efficiencies, the hotel put in place certain cost optimisation and recovery measures, including negotiation of vendor contracts, renegotiation of loan terms, conservation of energy usage and optimisation of the workforce to the required manning at different occupancy levels.

Operating Results and Financial Performance Review

The Group and the Company's performance during the year was positive despite the impact of Covid-19 pandemic on the hospitality business.

Revenue

Gross earnings realised for the Group in 2020 was N75.3bn as opposed to N76.3bn in 2019. The reduction of 1.3% was mainly due to impact of Covid-19 pandemic on our hospitality business.

Profit

Profit before tax (PBT) was N1.6bn in 2020 compared to PBT of N7.9bn in 2019 while the Profit after tax (PAT) was N3.8b compared to PAT of N3.7bn achieved in 2019.

Assets

Total Assets for the Group stood at N338.2bn in 2020, compared to N313.1bn in 2019. The investment in Afam Genco accounted for the growth in total assets.

Hospitality

N10b Rights Issue

As part of the strategy to reduce the liquidity constraints due to low operations created by the pandemic, Transcorp Hotels Plc offered by way of rights 2,659,574,468 ordinary shares at N3.76 per share to existing shareholders of the company. The Rights Issue was successful with 99.34% of the rights allotted, raising about N9.9b additional capital. The proceeds from the Rights Issue were used in paying off some of the existing obligations.

New Business Lines and Products

Maintaining its track record of innovation, Transcorp Hotels Plc took advantage of the uncertainty created by the pandemic and introduced new products such as the first ever drive-in cinema, outdoor catering, amongst other products that maintained top of mind awareness for the hotel. Most notably, we have launched our asset-light business "Aura by Transcorp Hotels". Aura by Transcorp is a digital platform that connects travellers to unique properties, restaurants and experiences across Africa starting from Nigeria. Behind this we will unlock untapped value (immediately through house sharing and longer term across the hospitality ecosystem as support services) thereby supporting country recovery efforts.

Other new offerings currently at advanced stages include:

a. Transcorp Event Centre: The 4000-square metre warehouse built during the upgrade of Transcorp Hilton Abuja is being converted to a 3,000 capacity Events Centre called 'Transcorp Events'. The event center will be set with a luxurious architectural style and refined ambience which allow us cater for larger number of people than the current capacity of the Congress Hall.

b. Co-Working spaces: Transcorp Hotels Plc is investing in the acquisition and operation of shared office space using its underutilised existing assets. The first of such will be launched at the Transcorp Hilton, Abuja in May 2021, with expansion planned for Lagos, Port Harcourt and other locations.

Awards & Recognitions

Transcorp Hotels Plc continues to maintain its leadership position within the hospitality business as it emerged, for the sixth consecutive year, the proud recipient of four prestigious awards at the 2020 World Travel Awards. These awards were:

- Africa's Leading Business Hotel
- Nigeria's Leading Business Hotel
- Nigeria's Leading Hotel
- Nigeria's Leading Hotel Suite

Transcorp Hotels Plc also won the TripAdvisor 2020 Travelers' Choice Award Certificates for the Hotel and Bukka Restaurant. In addition, the General Manager of Transcorp Hotels Calabar was recognised as one of the top 100 tourism personalities in Nigeria by African Travel Quarterly (ATQnews). The Tourism 100 club is a list of the biggest and best tourism practitioners in Nigeria.

Power

Foreign Power Sale

In furtherance of our strategic objective of extending our reach to the West African region, Transcorp Power Ltd commenced international sale of power. With this development, we are better able to utilize our stranded capacity as well improve revenue and liquidity for the Company. As we increase our generation capacity, we will continue to explore opportunities created by the Eligible Customer regime initiated by the Federal Government to allow sale of power directly to certain end users who meet the criteria set out in the governing regulation.

Proactive Maintenance

Our continued proactive maintenance culture will ensure that our assets are adequately maintained and operating at optimal capacity. We currently have three turbines (GT15, GT16 and GT18) that are under maintenance and scheduled to be fully operational by the first half of 2021. These three turbines are expected to increase our available capacity from about 500MW in 2020 to about 800MW by 2021. This will put us in the position to optimize the recent improvement in gas supply created by the implementation of the gas supply and transportation agreement.

Transcorp OPL 281

After a long time, the company was able to secure NAPIMS approval of OPL 281 work programme and budget. This provides us opportunity to progress on the fulfilment of our work commitments on the asset, including drilling of the appraisal well.

We have kick started the process of carrying out the OPL 281 Environmental Impact Assessment to enable us to responsibly conduct the planned drilling program and consequently drill the proposed well in late 2021/early 2022.

Transcorp also entered into an agreement with Sacoil Holdings Limited (now Efora Energy Limited, "Efora") to settle all existing legal disputes around the OPL 281 assets. The agreement provides for the full and final settlement of all disputes and claims of both parties in connection with a participating interest in OPL 281 previously assigned to Efora in October 2006. Under the terms of the settlement, Transcorp will pay a total sum of $5.5m over a period of thirteen months to Efora.

The resolution of the dispute is significant, given that it is one of the legacy issues which the core investor that took over Transcorp in 2011 inherited, and has been taking steps to resolve. This resolution has paved way for our planned development and optimization of the Oil & Gas asset without legal constraints. OPL 281 remains a prolific asset that will contribute substantially to the performance of the company upon completion of its development.

Trans Afam Power Ltd

Following the successful payment of the 25% of the N110b acquisition cost, Transcorp has taken over the management of Afam Genco, comprising of Afam Power Plc and Afam Three Fast Power Limited. Afam Genco has a total installed capacity of 962MW located in Oyigbo Local Government Area of Rivers State.

The plant 962MW capacity comprises 240MW from Afam 3 fast Power TM 2500 fleets, 450MW Afam 4 BBC13D fleets and 272MW Afam 5 V94.2 fleets.

With this new acquisition, our combined installed generation capacity has moved up to about 2,000MW in line with our medium-term strategy objectives.

2021 Outlook

In spite of the challenging operating environment created by the Covid-19 pandemic, the management of your company worked assiduously to position the company for a better performance in 2021. We intend to take full advantage of the opportunities created by the new market behaviour and the progress we have made to date. We will remain resolute as we execute the following strategic priorities in 2021:

- Ramp up power generation in Transcorp Power Ltd to take advantage of the improvement in gas supply with a target to achieve average generation capacity of about 1000MW (1GW).
- Increase power sale across the West African regional market by taking advantage of our membership of the West African Power Pool (WAPP).
- Aggressively and efficiently recover the Installed capacity of the Afam Genco, leveraging on our experience with running the Ughelli Power plant.
- Continuous sweating of our newly upgraded assets at Transcorp Hotels Plc through revival of businesses lost during the lockdown and efficiency in running our business operation.
- Optimization of the benefits from the new and upcoming hospitality businesses including drive-in cinema, outdoor catering services, laundry services, shared working space, Transcorp event center and the asset light model.
- Effective execution of turnaround initiatives to maintain profitability track for Transcorp Hotels Calabar.
- Complete Environmental Impact Assessment (EIA) for OPL 281 and embark upon appraisal well drilling activities.

Conclusion

Despite the impact of the Covid-19 pandemic, we have laid a strong foundation for sustainable growth in the future. We remain focused on taking advantage of this foundation to create long term value for all stakeholders and to position Transcorp as a pan-African conglomerate institution. We will continue to drive our operation through excellent execution of our strategies.

I would like to thank our shareholders for their continued support and confidence in us. I assure you that we will continue to strive relentlessly to ensure better performance by the Company. I also 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.

Owen Omogiafo
President/GCEO

03

Corporate Governance

CORPORATE GOVERNANCE REPORT

Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company") is committed to upholding the highest standards of corporate governance through the adoption of a sound corporate governance framework, which ensures the promotion of effective governance through the strategic direction and oversight by the Board. At Transcorp, good corporate governance is at the centre of our business and an integral part in creating and sustaining value for stakeholders.

1. Overview

During the year ended 31 December 2020, Transcorp complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council (FRC) and the Securities & Exchange Commission (SEC) and all laws regulating corporate governance. The Company further entrenched best practices in corporate governance by formulating new policies that will enhance performance, making the business more sustainable and upholding the Company's brand equity.

The following are details of some of the Policies that promote good Corporate Governance in the Company:

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, and 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.

Code of Conduct and Ethics

This Code was designed to adopt a consistent approach to integrity issues between the Company and its employees, Directors, subsidiaries, government officials, business partners, and customers. It provides the policies and procedures to be followed on matters pertaining to anti-corruption, conflict of interest, anti-bribery/ improper payments, money laundering, terrorism financing and insider trading (blackout policy). Upon appointment, and subsequently on an annual basis, each staff and Director signs an undertaking to abide by the provisions of the Code.

Sustainability Policy

This Policy covers the environmental and social dimensions of sustainable development which Transcorp recognises as part of good business and is applicable to all our organizational units as well as the operational locations where it carries out business. The Company is committed to sustainable development, in its day-to-day activities including Stakeholder Engagement, Corporate Governance, Preserving the Environment, Employee-related matters, Vendors Engagement and Supplies, Safety, Health and Environment Management, Community Investment and Corporate Social Responsibility, and Ethics and Whistle Blowing.

2. Board of Directors

2.1 General

The Board of Directors consists of eight (8) members made up of one (1) Executive Director (the CEO) and seven (7) Non-Executive Directors, two of whom are Independent Directors. In accordance with the provisions of the Companies and Allied Matters Act 2020 (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 2020 was no exception. The details of Directors' attendance at Board meetings are disclosed on page 33 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.

Board Appointment, Induction and Training processes

Directors are appointed on the recommendation of the Board Audit and Governance Committee in accordance with the Board and Board Committees Governance Charter. In choosing Directors, the Company seeks individuals who have very high integrity, a good image and reputation, shareholder orientation, no conflict of interest and a genuine interest in and commitment to the company.

The Company has in place a formal Director Induction Plan & Procedure. Newly-appointed Directors undergo this induction programme to become 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.

2.2 Membership and Changes on the Board

There were some changes 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 2020:

Director	Position	Date appointed to the Board	Date(s) re-appointed/ re-elected	Date of resignation / retirement	Tenure of Director
Mr. Tony O. Elumelu, CON	Chairman	14 April 2011	21June 2013, 29 April 2016, 15 March 2019	N/A	9 Years
Mrs. Foluke Abdulrazaq	Vice Chairman/ Independent Non-Executive Director	5 June 2020	NIL	N/A	9 Months
Mrs. Owen D. Omogiafo	President/GCEO	March 25 2020	N/A	N/A	1 Year
Mr. Valentine Ozigbo	Non-Executive Director	1 January 2019	N/A	N/A	2 Years
Mr. Emmanuel N. Nnorom	Non-Executive Director	16 December 2013	15 March 2019	N/A	7 Years
Dr. Stanley I. Lawson	Non-Executive Director	19 September 2011	21 June 2013, 8 May 2015, 30 April 2018	N/A	9 Years
Ms. Obi Ibekwe	Independent Non-Executive Director	30 October 2018	NIL	N/A	2 Years
Mrs. Toyin Sanni	Non-Executive Director	30 October 2018	NIL	N/A	2 Years

N/A means "Not applicable".

The Directors standing for re-election are Mr. Emmanuel N. Nnorom and Mrs Toyin Sanni.

2.3 Board Meeting Attendance

Directors	Total no. of meetings obligated to attend	Total no. of meetings attended	Dates of meetings attended
Mr. Tony O. Elumelu, CON	4	4	28 February, 5 June, 22 September, 17 December.
Mrs. Foluke Abdulrazaq	3	2	5 June, 22 September.
Mrs. Owen Omogiafo	3	3	5 June, 22 September, 17 December.
Mr. Valentine Ozigbo	4	4	28 February, 5 June, 22 September, 17 December.
Mr. Emmanuel Nnorom	4	4	28 February, 5 June, 22 September, 17 December.
Dr. Stanley I. Lawson	4	4	28 February, 5 June, 22 September, 17 December.
Ms. Obi Ibekwe	4	4	28 February, 5 June, 22 September, 17 December.
Mrs. Toyin Sanni	4	4	28 February, 5 June, 22 September, 17 December.

2.4 Board Committees & Executive Management Committee

(a) 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.
- Monitor and evaluate on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.
- Any other function assigned to it by the Board including Audit and Regulatory Compliance.

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

The Committee comprises the following:
1. Dr. Stanley 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	20 February, 23 April, 8 September, 12 December.
Mr. Emmanuel N. Nnorom	4	4	20 February, 23 April, 8 September, 12 December.
Ms. Obi Ibekwe	4	4	20 February, 23 April, 8 September, 12 December.

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

(b) 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 IT Governance 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.

During the year, the Committee amongst other things reviewed the Company's process of accepting credit facilities from financial institutions, dividend proposal, 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. Mrs. Owen Omogiafo - Member
3. Mr. Valentine Ozigbo - Member
4. Mrs. Toyin Sanni - 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
Mr. Emmanuel Nnorom	4	4	20 February, 23 April, 8 September, 11 December.
Mrs. Owen Omogiafo	3	3	23 April, 8 September, 11 December.
Mr. Valentine Ozigbo	4	4	20 February, 23 April, 8 September, 11 December.
Mrs. Toyin Sanni	4	4	20 February, 23 April, 8 September, 11 December.

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

2.5 The Statutory Audit Committee

The Statutory Audit Committee (SAC) is broadly empowered to, amongst other things, 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 Isesele - Chairman (Shareholder representative)
2. Mr. Mathew Esonanjor - Member (Shareholder representative)
3. Ms. Judith Rapu - Member (Shareholder representative)
4. Dr. Stanley Lawson - Member (Directors' representative)
5. Ms. Obi Ibekwe - Member (Directors' representative)
6. Mrs. Toyin Sanni - Member (Directors' representative)

John Isesele

Judith Rapu

Matthew Esonanjor

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	20 February, 23 April, 8 September, 12 December.
Mr. Matthew Esonanjor	4	4	20 February, 23 April, 8 September, 12 December.
Ms. Judith Rapu	4	4	20 February, 23 April, 8 September, 12 December.
Dr. Stanley Lawson	4	4	20 February, 23 April, 8 September, 12 December.
Ms. Obi Ibekwe	4	4	20 February, 23 April, 8 September, 12 December.
Mrs. Toyin Sanni	4	4	20 February, 23 April, 8 September, 12 December.

2.6 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 approving the structure and framework for performance reporting of subsidiary companies.

The Executive Management Committee comprises:

1. President/GCEO
2. Group Chief Finance Officer
3. Group Company Secretary
4. Director of Resources
5. Head, Internal Audit & Control
6. Head, Marketing and Corporate Communications
7. CEOs of Subsidiaries

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

Directors' Remuneration Policy

The Board's remuneration policy, as embedded in the Board Charter, is structured to suit the environment in which it operates and the results it achieves at the end of each financial year. The Policy is reviewed when necessary to meet economic realities and includes the following:

Non-Executive Directors

Annual Fees & Allowances
Non–Executive Directors earn N500,000 as Directors' fees annually while the Chairman earns N600,000. Other remuneration components are payable quarterly, annually or half-yearly.

Board Meetings
Non-Executive Directors earn N200,000 sitting allowance per meeting while the Chairman earns N300,000. Transportation costs and hotel expenses are reimbursed where applicable.

Committee Meetings
Non-Executive Directors earn N150,000 sitting allowance per meeting, while the Chairman earns N200,000. Transportation costs and hotel expenses are reimbursed where applicable.

Executive Directors

The remuneration policy for Executive Directors includes the following:

Fixed remuneration, taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent posts of equivalent status within the industry both within and outside Nigeria.

Variable annual remuneration linked to performance. The amount of this remuneration is subject to achieving specific, quantifiable and measurable KPIs set and appraised annually by the Board.

Summary Report of the Annual Corporate Governance Evaluation

The firm of Angela Aneke & Co. Limited performed the evaluation of the Board for the year ended December 31, 2020 in line with the requirements of the Financial Reporting Council ("FRC") Code of Corporate Governance (the "Code").

The statement by the external consultant on the Board and Corporate Governance evaluation are contained in pages 47 and 49 of the Annual Report and covers the summary of Board, Committees, individual Directors' and overall governance evaluation.

Human Resource Policies and Internal Management Structure

The Human Resource Policy provides for benefits available to eligible employees in the Company. The Company has put in place an internal control system to ensure that the company practices comply with regulations.

Gender Diversity on the Board and Employment

The Company ensures gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The ratio of women to men in the Company at Board level and in Staff employment is 1:2.

Statement by the Board on the Company's Environment, Social and Governance (ESG) Activities

The Company was involved in Environment, Social and Governance activities that makes the Company address environmental or social issues which impacts the stakeholders. ESG is alternatively referred to as Corporate Social Responsibility (CSR).

Auditors

The firm of Deloitte & Touché has served for a period of one year as the independent Auditors. In accordance with Section 401(2) Companies and Allied Matters Act 2020, Deloitte & Touche have indicated their willingness to continue after their first year as independent Auditors of the Company. The Directors shall seek members' authorisation at the Annual General Meeting to fix their remuneration.

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 2020, 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 2020. 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
- Trans Afam 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 2020 are set out on page 66 of this report.

4. DIRECTORS' SHAREHOLDING AND THEIR INTERESTS

The Directors' direct and indirect interests in the shares of the Company as at 31 December 2020, were as follows:

Name Of Directors	Direct	Indirect	Indirectly Held through	Total No. of Shares Held in 2020
Mr. Tony O. Elumelu, CON	273,104,041	293,983,193	HH Capital Ltd	840,632,956
		273,545,722	Heirs Holdings Ltd	
Mrs. Foluke Abdulrazaq	Nil	Nil	Nil	Nil
Mrs. Owen Omogiafo	7,634,188	Nil	Nil	7,634,188
Mr. Emmanuel N. Nnorom	Nil	11,653,487	Vine Foods Ltd	11,653,487
Mr. Valentine Ozigbo	10,859,126	Nil	Nil	10,859,126
Mr. Stanley Inye Lawson	122,790,102	Nil	Nil	122,790,102
Mrs. Toyin Sanni	31,506	Nil	Nil	31,506
Ms. Obi Ibekwe	Nil	Nil	Nil	Nil

5. DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors notified the Company of their direct or indirect interest in contracts or proposed contracts with the Company during the year for the purpose of section 303 of CAMA.

6. ALTERNATE DIRECTORSHIP

There was no alternate directorship during the year under review.

7. SHAREHOLDING ANALYSIS AND SHAREHOLDER STRUCTURE

The shareholding analysis and structure of the Company as at 31 December 2020 were as follows:

Range Analysis as at 31 December 2020

Range			No. of Holders	Holders %	Holders Cum.	Units	Units %	Units Cum.
1	-	999	4,899	1.74	4,899	1,826,526	0.00	1,826,526
1,000	-	9,999	209,843	74.63	214,742	533,308,928	1.31	535,135,454
10,000	-	99,999	54,742	19.47	269,484	1,291,169,530	3.18	1,826,304,984
100,000	-	999,999	9,810	3.49	279,294	2,456,246,613	6.04	4,282,551,597
1,000,000	-	9,999,999	1,646	0.59	280,940	3,770,566,642	9.28	8,053,118,239
10,000,000	-	99,999,999	174	0.06	281,114	3,817,085,446	9.39	11,870,203,685
100,000,000	-	999,999,999	44	0.02	281,158	12,381,027,428	30.46	24,251,231,113
Above 1,000,000,000			9	0.00	281,167	16,396,759,180	40.34	40,647,990,293
Grand Total			**281,167**	**100**		**40,647,990,293**	**100**	

Shareholding Structure as at 31 December 2020

Holder Type	Holder Count	Holdings
INDIVIDUAL	277,224	18,119,090,634
GOVERNMENT	17	1,876,038
CORPORATE	2,844	22,399,737,814
PENSION	9	16,075,487
JOINT	1,072	111,208,520
INSTITUTION	1	1,800
TOTAL	281,167	40,647,990,293

8. SUBSTANTIAL INTEREST IN SHARES
As at 31 December 2020, only UBA Nominees Limited - Trading, held more than 5% of the issued share capital of the Company.

9. SHARE CAPITAL HISTORY

SHARE CAPITAL HISTORY AS AT DECEMBER 31, 2020

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

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 AND 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.

The Framework covers 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 committee.

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

12. PROHIBITION OF INSIDER TRADING – CODE OF CONDUCT FOR DIRECTORS AND STAFF
The Company has a Code of Conduct which guides all Directors, 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 annually 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 environment that promote the safety and health of its employees and other stakeholders. The Company's rules and practices in these regard are reviewed and tested regularly. Furthermore, the Company provides free medical insurance for its employees and their families through selected health management organizations and hospitals.

16. DONATIONS AND GIFTS

During the year under review, the Company made donations through it's subsidiaries Transcorp Hotels Plc and Transcorp Power Limited.

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 programmes 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 training programmes provided to employees.

18. EXTERNAL AUDITORS AND BOARD EVALUATION & CORPORATE GOVERNANCE CONSULTANT

Deloitte and Touché, the External Auditor of the Company has served for a period of one year and the Board Evaluation & Corporate Governance Consultant, Angela Aneke & Co. has served for a period of three years.

19. FINES AND PENALTIES

The Company was not fined during the year under review.

By Order of the Board

Chike Anikwe
Ag. Group Company Secretary
FRC/2017/NBA/00000016059
28 February 2021

SUSTAINABILITY REPORT

Sustaining Business Growth & Stakeholder Value through Impact Investing

Our organisation plays a critical role in supporting economic growth while also improving the lives of Nigerians. As a leading diversified conglomerate, sensitive to the increasing importance of sustainability both to our clients and the general society, sustainability has remained systemically ingrained in every action we take across our businesses.

Transcorp embraces and sustains this corporate culture, being an integral aspect of who we are. The Company's purpose of improving lives and transforming Nigeria along with its core values of Execution, Enterprise & Excellence (3Es) form the foundation of who we are as an Institution and inspires our people to make positive impact in all our business dealings. These foundational elements shape how we all work collaboratively with our respective stakeholders to attain sustained growth and value.

Within every facet of our business, we put the health and safety of our people first, invest in our host communities, and work towards better environmental outcomes in the areas where we operate. This we do with a conscious sense of the global market forces which require businesses to balance environmental and societal responsibilities with the inevitable tension of meeting both shareholder/stakeholder and commercial obligations.

Despite the challenges faced in 2020, our sustainability commitments including our CSR initiatives have remained in alignment with our strategic objectives and daily business actions. This we attained 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 hinged on 3 critical success pillars.

Transcorp Power team delivering palliatives to communities during the Covid-19 Pandemic

STAKEHOLDER ENGAGEMENT

We treat all our stakeholders with the same sense of responsibility, approaching each of them openly, transparently and with a strong sense of commitment. Our goal is to foster mutual understanding, trust and cooperation with stakeholder groups on sustainability related topics.

We interact with a variety of stakeholders via community meetings, digital and social media, corporate publications and one-on-one discussions. By maintaining an open dialogue with our stakeholders provides us with ample opportunities to listen to concerns, discuss approaches and share plans. We continue to see broad interests in our Environmental, Social and Governance performance across our stakeholder groups. The table below highlights our key stakeholder groups, along with our engagement approach.

Stakeholder	Engagement Mechanism	
Shareholders and Investors	Annual General Meeting	Annually
	Annual Reports	Annually
	Shareholder fora	As the need arises
	Website	Frequently
	Investor Relations Calls	Quarterly
	NSE Portal	As the need arises
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

CORPORATE GOVERNANCE

With a robust corporate governance structure underpinned by our core values of execution, enterprise and excellence, Transcorp remains conscious that there must be efficient use of our human, social and capital resources overarched with a practical approach to corporate governance to build a successful business with sustainable wealth creation.

As an organisation, we remained unwavering in our commitment to a system of checks and balances at all levels involving the Board, Management and external stakeholders. This has ensured consistency in the creation of an efficiently functioning organisation geared towards delivering long-term value.

The institutionalisation of good corporate culture and ethics through the enforcement of policies along with the tone set by the Board also contributes to our overall performance while safeguarding our reputation. For this reason, we remain steadfast to observing applicable laws and regulations ensuring continued commitment to good governance practices. The following policies, procedures are in place to ensure we attain these commitments:

- **Enterprise Risk Management (ERM):** Risk management is prioritised through a robust governance structure that establishes individual and collective accountabilities for risk management, risk oversight and risk assurance, and it is clearly documented in the Group's Enterprise Risk Management (ERM) Framework. The approved ERM framework is dedicated to the identification, assessment, treatment and monitoring of risks across the Transcorp Group.

This framework is consistently communicated across the organisation. It ensures risks are managed in a consistent way across the Group and provides important considerations for the Board and its sub-committees in defining and addressing oversight responsibilities. This is reinforced by the Board's delegation of authority which sets the appropriate tone through the Management hierarchy.

The Risk Governance Framework is supported by a committee-based structure designed to confirm that the risk management system across the Group is in line with regulations and best practices. The Board has ultimate responsibility for risk management and it is responsible for approving risk management policies and associated amendments. The Board's risk oversight responsibilities are delegated to the Finance & Investments Committee (FIC). The FIC decides on and supervises the risk appetite, including the risk strategy. The Committee is also responsible for the development of a sound and consistent Group-wide risk culture, based on clear understanding of the risks that could be encountered by the Group and the management of such risks, taking into consideration the Group's risk appetite.

The Executive Management Committee (EMC) is responsible for reviewing and challenging risk information and escalating issues to the Board. The EMC ensures the integrity of the reporting and monitoring system making sure the reporting structure does not distort or suppress material information presented to the Board, and that the reporting process promotes timely response to material risk.

• **Code of Conduct, Ethics & Compliance:**
At Transcorp, we pride ourselves in having one of the most compliant and leading Group structures. Our governance structure/framework remains unparalleled with Board and management appointments, including transitions at executive levels, made with ease and devoid of rancour and business disruptions.

Our approach to doing business in the Group is based on high ethical standards and strict adherence to all provisions of the code of conduct guidelines. With an enviable corporate governance framework and also leveraging the quality of its workforce, the Group has experienced continued growth in its various business operations in line with its strategic priority. Among other things, the ability to deliver and sustain this mandate is dependent on staff commitment, engagement and ability. In addition to staff competence, the conduct of the Group's workforce remains professional, hinged on well-established ethical and code of conduct frameworks that guide expected behaviour. This is driven from senior leaders who have worked relentlessly to build/develop ethical culture within the Group. This ethical culture is reinforced by rewarding employees who constantly embody the core values of execution, enterprise and excellence (3Es) along with integrity which the Group upholds.

Employees are regularly sensitised to express behavioural patterns through several internal campaigns aimed at ensuring that our people operate in line with our approved standards. 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.

• **Data Privacy & Protection:**
Transcorp is dedicated to processing the personal data it receives or processes with absolute confidentiality and security. The Policy describes the minimum standards that must be strictly adhered to regarding the collection, storage, use, retention, transfer and disclosure of personal data.

• **Sustainability**
This Policy 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 communities where we operate.

• **Complaints Management and Whistle Blowing**
At Transcorp, we promote a culture where employees can speak up easily and encourage an enabling environment where people are free to raise concerns on perceived or unethical conduct. The Whistle blowing Policy, which is also located on the Company's website, sets out the expectations required when employees or any other of its stakeholders become aware of circumstances which are not in compliance with any of Transcorp's policies, laws, external rules or regulation.

To ensure a seamless and independent platform is used to achieve this, the Company maintains a dedicated process for reporting suspected violations of the Group's policies or national laws and regulations. Details of the whistle blowing channels are:
Telephone: 0906 290 9318
Email: whistleblower@transcorpnigeria.com

Whistle blowers are protected from discrimination, or retaliation and can confidently report concerns, illegal or non-procedural conduct, suspected violations of either the Company's polices 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

In building an organisational 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 2020, despite the outbreak of Covid-19 coupled with the adverse effects to social gatherings, by capitalising on our virtual platforms, we created several fora ranging from Virtual Town Hall meetings, TGIFs to other Team Bonding events to ensure staff were given opportunities to engage with management on issues around the business, work-life balance and overall personal development.

Training Initiatives and Development:

Transcorp understands the value of continuous development of its employees as they remain our most valuable assets. To drive career growth and empowerment, formal and informal training programmes are carried out at various levels, group-wide, through in-house, local and/or international courses annually. In doing this, we had structured performance improvement interventions to improve overall staff effectiveness and enhanced our e-learning solutions as well as other training programmes.

The various awards and recognitions received in the year further validated the impact and effectiveness of our workplace practices which have been carefully developed to speak to every aspect of the employee experience lifecycle. Transcorp Power was recognised by the Industrial Training Fund (ITF) at the 2019 ITF Merit Award Ceremony which held in March 2020 in Jos, Plateau State where we received awards in the following categories:

- Best Employer in Human Resources Development (HRD)
- Best Employer in Revenue Generation

Resourcing & Diversity

The Company's position as an equal opportunity employer guarantees employees the right to be treated without discrimination on the grounds of race, ethnicity, gender, age, disability, education, personalities, religion or experience. In reinforcing this commitment, we also sought opportunities to achieve further gender balance across job functions and roles with close to 30% of our workforce currently comprised of women.

Apart from the culture of inclusion, one of the key HR priorities for 2020 was aimed at driving employee engagement across all manning levels in the organisation. This was achieved with clear focus on current business challenges, operational efficiency, future opportunities and sustainable business development. Through this review, we also identified strong talent internally, giving them the opportunity to rise, while taking up new responsibilities and challenges.

VENDORS AND SUPPLIERS

Our suppliers and vendors are encouraged to maintain high standard levels in line with our inclusive and robust procurement policy. This approach of continuous interaction with our contractors not only boosts our corporate responsibility, but also assists them in improving their service standards and quality of delivery. Purchasing decisions are consistently based on competitive bidding including a vendor selection and management process to ensure transparency in the final selections made.

SAFETY, HEALTH AND ENVIRONMENT

As Nigeria's leading conglomerate, we continue to 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.

Amidst the outbreak of the COVID-19 pandemic, the Company went beyond the safety protocols and guidelines issued by the Nigerian Centre for Disease Control (NCDC) to ensure the protection of our people and facilities from being infected with the virus by building additional layers to contain and prevent the disease from spreading through our people or assets leveraging on several pro-active initiatives and programmes. Transcorp Hotels also deployed the CleanStay initiative ensuring that all Security, Health and Safety related Protocols were consistently observed.

We retained our annual wellness exercise in partnership with Avon Medical and Avon HMO and also organised virtual health talks which provided opportunities for employees to attain awareness on all health matters including their overall mental and emotional state. To also ensure that the general movement restriction caused by the pandemic did not result in encouraging a sedentary lifestyle amongst our employees, we also introduced the Transcorp Trektacular challenge. This initiative fostered the improvement of overall health and wellness for alertness and productivity while promoting a stronger bond amongst employees across the Group.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

At the core of Transcorp's purpose of Improving lives and transforming Nigeria is a personal commitment to building a socially responsible and impactful business that serves its diverse stakeholders. This corporate social commitment serves as a strategic support for the fulfilment of our business objective and is driven through our 3E Impact Pillars:

Entrepreneurship & Empowerment

As part of our contribution towards building employable graduates and job seekers, our hospitality business supported the 6th edition of the Business Empowerment Program for Women. This year's programme ran for 2 months prior to the commencement of the Covid-19 lockdown.

Through Transcorp Power Limited, we also funded various vocational skills acquisition programmes such as refrigeration, welding and other technical skills for member of our host communities; providing monthly stipends for Trainees during the training programme, including working tools or start-up capital for trained individuals and graduates.

At the height of the lockdown resulting from the Covid-19 outbreak, Transcorp Power provided palliatives to members of our host communities and the two surrounding local government areas (Ughelli North and South). Transcorp Hilton Abuja supported Daughters of Charity Hospital with the provision of foodstuffs and bed linens, duvet covers and pillowcases for about 4 months. The Hotel also donated beddings and other clothing items to both the Pillar of Hope Trust Foundation and Ketti Community through Dele Oye & Associates.

As an advocate for early testing and detection of Cancer, Transcorp Hotels Plc in partnership with Project PINK BLUE created cancer awareness through the World Cancer Day Walk by providing people with the opportunity for free cancer screening.

In the same vein, the Hotel in celebration of the Hilton Effect Week, also organised a blood drive in support of National Blood Transfusion Services.

Education

Despite the pandemic, Transcorp Power awarded the contracts for the completion of the renovation of the Eruemukohwarien Community Town Hall along with seven (7) Classroom and Staff Offices at Akrerhavwe Secondary school.

In the same year, Transcorp Hotels Plc through its team at the Transcorp Hilton Abuja also partnered with Ace Charity, to host a self-starter seminar providing 100 young people with the opportunity to learn directly from industry experts on how to start off on their career path.

Transcorp Hotels Calabar was not left out in reinforcing our commitment to invest in the immediate community as they too donated trophies to support the annual inter-house sports of Presbyterian Primary school Big Qua, Calabar.

Environment

We recognise our collective responsibility of protecting our planet and preserving our environment for future generations and are constantly leveraging partnerships and collaborations to achieve this. To further demonstrate this commitment, the Hotel arm of our business sustained the "Water: Save Every Drop" initiative, which is centered around driving water stewardship across our value chain and making every drop count.

AWARDS

During the year 2020, Transcorp sustained its award-winning streak through the achievements attained by our subsidiary businesses. These awards and achievements are already detailed in the CEO's Report (page 28) of the Annual Report.

AA&Co

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February 24th, 2021

Statement by the External Consultants on the Board Evaluation of Transnational Corporation of Nigeria Plc for the year ended December 31, 2020

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, 2020 in line with the requirements of Principle 14 of the FRC Nigerian Code of Corporate Governance (FRC Code).

The criteria for our review and report are benchmarked against the principles in the FRC Code, the Company's corporate governance framework, 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 an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of directors for their adoption and further action.

The Chairman of the Board provides overall leadership of the Company and the Board and elicits the constructive participation of all Directors to facilitate effective direction of the Board. The Chairman 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 her duties.

The Board of Transcorp Plc is strong and has an established Board Governance & Board Committee Governance Charter. The mandates and terms of reference of the Board committees are clearly defined in the Board Governance & Board Committee Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit

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and controls, regulatory compliance and information technology governance. Furthermore, directors largely achieved 100% attendance at all the Board and Board Committee meetings held in 2020.

The Board and its Committees have an appropriate balance of skills and diversity including experience and gender. The Board is 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 additional female Directors in 2020 to the key roles of Vice Chairman and President/GCEO 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.

On the basis of our work, we conclude that the Board of Transcorp Plc is highly effective and demonstrates a commitment to maintaining strong corporate governance in line with global best practice, its corporate governance framework is optimised and the Company has extensively applied the 28 principles of FRC Code which took effect in 2020.

Yours faithfully,
FOR: **Angela Aneke & Co Limited**

Angela Aneke

Angela Aneke
Managing Director

AA&Co

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February 24th, 2021

Statement by the External Consultants on the Corporate Governance Evaluation of Transnational Corporation of Nigeria Plc for the year ended December 31, 2020

The Board of Directors of Transnational Corporation of Nigeria Plc ("Transcorp Plc" or "the Company"), engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2020 in line with the requirements of Principle 15 of the FRC Nigerian Code of Corporate Governance (FRC Code).

The criteria for our review and report are benchmarked against each of the 28 principles of the FRC 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 an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of directors for their adoption and further action.

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 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, internal audit and controls, regulatory compliance and information technology. Policies that address risk management, internal control, code of conduct, business ethics, shareholder engagement and disclosures are well institutionalized at Transcorp Plc.

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A sound framework for managing risk and an effective internal control system is in place at Transcorp Plc. The risks the company faces and risk mitigating strategies are effectively monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its committees on the effectiveness of governance, risk management and internal control systems. An effective whistle blowing framework for reporting illegal and unethical behaviour is also in place.

The Company acted as a responsible citizen by embarking on several corporate social responsibility activities in 2020.

On the basis of our work, we conclude that corporate governance practices at Transcorp Plc are strong and optimised and are in line with global best practice. The corporate governance framework of the Company has extensively applied the 28 principles of FRC Code.

Yours faithfully,
FOR: **Angela Aneke & Co Limited**

AngelaAneke

Angela Aneke
Managing Director

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

STATEMENT BY THE BOARD ON THE COMPANY'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE ACTIVITIES

The Board of Directors of Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company") acknowledges the importance of sustainability as a driver of long-term value creation for its stakeholders.

The Board also considers Environmental, Social and Governance ("ESG") issues as a business imperative and have provided the required oversight on the Company's activities.

In accordance with the provisions of Section 28.8 of the Nigerian Code of Corporate Governance 2018 ("the Code"), we, the Board of Directors of Transcorp, hereby report on the ESG activities of the Company for the year ended 31 December 2020.

At the core of the Company's purpose of improving lives and transforming Nigeria is a commitment to building socially responsible and impactful businesses in key strategic economic sectors that serve its diverse stakeholders. This corporate social commitment serves as a strategic support for the fulfilment of our business objective driven through our 3E Impact Pillars - Entrepreneurship & Empowerment, Education, and Environment. In 2020, we embarked on a number of CSR activities focused on these pillars. Details of these activities can be found in the sustainability report.

Amidst the outbreak of the COVID-19 pandemic, the Company went beyond safety protocols and guidelines issued by the Nigerian Centre for Disease Control (NCDC) to ensure the protection and sustained well-being of all our respective stakeholders.

Stakeholder Engagement was sustained all through the year using various engagement approaches, details of which are also captured in the sustainability report. In all forms of communications and dealings with our stakeholders, compliance with the Data Privacy & Protection laws and regulations was enforced.

The Board understands that there are potential risks and opportunities within its respective businesses on matters pertaining to sustainability which also have notable impact on the Company's strategy. To ensure sufficient oversight of these risks, quarterly supervision and monitoring of the risk strategy was performed taking into consideration the Group's risk appetite, with strong focus on extensive programs around governance, risk management, internal control, and compliance.

As part of the Company's efforts in providing equal opportunities for each gender, the Board maintained a diverse membership during the year with women accounting for 50% of its composition.

As an organisation, we remained unwavering in our commitment to a system of checks and balances at all levels which has ensured consistency in the creation of an efficiently functioning organisation geared towards delivering long-term value.

Thank you.

Tony O. Elumelu, CON
Chairman, Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Transnational Corporation of Nigeria Plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as at 31 December 2020, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- properly selecting and applying accounting policies;
- presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- providing additional disclosures when compliance with the specific requirements in the IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and performance;
- Preventing and detecting fraud and other irregularities.

Going concern

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not remain a going concern in the year ahead.

Certification of financial statements

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria 2020, the Chief Executive Officer and the Chief Financial Officer certify that the financial statements have been reviewed and based on our knowledge, the

1. audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
2. audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for, the periods covered by the audited financial statements;

We state that Management and Directors:

1. are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that where material information relating to the Company and its subsidiaries becomes known to any officer of the Group, particularly during the period in which the audited financial statement report is being prepared, such officers are bound to exhibit a fiduciary duty of care to not use such information for insider dealings
2. have evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited financial statements, and
3. certify that the Group's internal controls are effective as of that date.

We have disclosed:

1. all significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and all material wekanesses in internal controls have been identified to the Group's auditors, and

2. whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's internal control; and
3. as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statement of the Group for the year ended 31 December, 2020 were approved by the Directors on 30 March 2021.

Signed on behalf of the Board of Directors By:

Mrs. Owen Omogiafo
President/GCEO
FRC/2019/IODN/00000019827

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

REPORT OF THE STATUTORY AUDIT COMMITTEE

For the year ended 31 December 2020

To the members of Transnational Corporation of Nigeria Plc
In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we, the members of the Audit Committee of Transnational Corporation of Nigeria Plc ("the Company"), hereby report that:

a. The accounting and reporting policies of the Company for the year ended 31 December 2020 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 2020 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 11th day of February 2021
Members of the Statutory Audit Committee

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

2020
GALLERY

Transcorp Consortium team, led by the Group Chairman, Tony O. Elumelu CON, with His Excellency, the Vice President of Nigeria, Prof. Yemi Osibanjo, the Honorable Minister of Power, Engr. Mamman Saleh and the DG, Bureau for Public Enterprises, Mr. Alex Okoh at the Share Sale and Purchase Agreement (SSPA) ceremony for the privatization of Afam Genco.

Transcorp Chairman, Tony O. Elumelu CON, and His Excellency, the Vice President of Nigeria, Prof. Yemi Osibanjo elbow bumping at the SPA ceremony

Bureau of Public Enterprises (BPE) Technical handover of the 966MW Afam Plc and Afam Three Fast Power Limited to the Transcorp Consortium

Transcorp Hilton particpating in the World Cancer Day to create awareness

Transcorp Power Limited end of year gift presentation to the National Association of People With Disability

Transcorp Hotels Visit to Daughters of Charity Hospital

Blood Donation Drive

Transcorp Hotels Partnered with ACE Business Empowerment program for women.

MD/CEO of Transcorp Power Limited Chris Ezeafulukwe visiting the immediate past MD of (Nigeria Gas Company) NGC Seyi Omotowa

Transcorp Power team delivering palliatives to host communities during the Covid-19 Pandemic

Condolence visit to the family of Late General Orho Esio Obada (rtd), at Agbarho town, Ughelli North LGA by the Transcorp Power team.

Transcorp Power team delivering palliatives to communities during the Covid-19 Pandemic

Transcorp President/GCEO being presented with the Outstanding Female Achiever of the Year & Hospitality Person of the Year Awards

Business Day Award to TPL as the Power Company of the Year 2020

Austine Okweche, Operations Manager and Godwin Momoh, Financial Controller receiving the Spirit of Enterprise Award on behalf of Transcorp Hotels Calabar

Presentation of plaques to the 5th batch of community trainees in Catering and Tailoring by Okaima Ohizua, ED/COO Transcorp Power Limited

Visit by National Defence College Participants to the Transcorp Power Plant

Dupe Olusola MD/CEO, Transcorp Hotels Plc welcoming Dr. Mrs. Ngozi Okonjo-Iweala, DG World Trade Organisation to Transcorp Hilton Abuja

A Guest at Transcorp Hilton Abuja participating in the paint and sip session organized at the hotel

Vincent Ozoude, MD, Trans Afam Power Ltd, pointing out key elements of Afam Three Fast Power, during a tour of the facility.

The Director-General, BPE, Alex Okoh presenting the Certificates of Handover to the Transcorp Management team.

Transcorp Leadership engaging with key stakeholders of the Afam Community during the administrative handover of the Afam Power Plants

Transcorp Hotels hosting the first ever Drive-in Cinema in Abuja

An Event at the hotel with guests observing social distancing

Owen Omogiafo, President/GCEO Transcorp Plc (l) and Christopher Ezeafulukwe MD/CEO Transcorp Power Limited (r), during a courtesy visit to Prof. James Momoh (c), the immediate past Chairman of the Nigerian Electricity Regulatory Commission (NERC)

2020 was a year of the new normal. The need to embrace the virtual reality emerged and our leaders partcipated and featured in different virtual events to share knowledge as thought leaders in our industry and Country.

INDEPENDENT AUDITOR'S REPORT

Deloitte.

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Independent Auditor's Report

To the Shareholders 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** and its subsidiaries (the Group and Company) set out on pages 67 to 125, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Transnational Corporation of Nigeria Plc as at 31 December 2020, 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, the requirements of the Companies and Allied Matters Act (CAMA) 2020 and Financial Reporting Council Act.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' (IESBA), International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of consolidated Financial Statements in Nigeria.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current period. This matter was 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 this matter.

The key audit matter below relates to the audit of the consolidated financial statements.

Deloitte.

Key Audit Matter	How the matter was addressed in the audit
Assessment of goodwill impairment - Consolidated	
The Group has a material balance of N30.934 billion as goodwill, which principally relate to the acquisition of Transcorp Hotel Plc (THP) and consolidation of Transcorp Power Limited (TPL). Goodwill is calculated as the difference between the purchase consideration and the share of net assets acquired. Goodwill is allocated to the Cash Generating Units (CGUs) THP and TPL. In line with the provision of IAS 36 – impairment of assets, goodwill should be tested for impairment annually. The Group tested goodwill for impairment and no impairment charge has been recorded against these balances in the current year. The recoverable amount of THP has been determined using the Fair Value Less Costs to Dispose approach. In determining the fair value of the property, plant and equipment, the Group engaged an external valuer who determined the fair value based on several valuation assumptions. The recoverable amount of TPL has been determined using the Value-In-Use approach. In determining the value in use, the Group has estimated future cash flows, associated discount rates and growth rates based on their view of future business process. The current economic climate 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. The annual impairment test is significant to the audit because the balance involved is significant to the Group and the testing process is complex and requires significant judgment made by the Directors concerning the estimated value. Accordingly, the impairment test of goodwill is considered a key audit matter due to the impact of the above assumptions. The disclosure of goodwill is set up in Note 23 of the consolidated and separate financial statements.	To determine the appropriateness of the management assumptions and conclusions on the impairment assessment of the goodwill balance, in line with the provisions of IAS 36, we performed the following procedures: • We considered the determination of the cash generating units. • Evaluated the appropriateness of the approaches - fair value and value in use methods - used by management in determining the recoverable amount of the cash generating units. • Evaluated the reasonableness of the methods and assumptions the management expert used to estimate the fair value of the Assets of Transcorp Hotels Plc and Transcorp Power Limited. • Independently engaged a valuation expert who carried out a review of the valuation of the assets of Transcorp Hotels Plc to challenge management valuation used in determining the recoverable amount. • Agreed the balances for other operating assets and liabilities used in the fair value assessment to the audited financial statements of Transcorp Hotels Plc. • Reviewed management assumptions used to determine the estimated cost to dispose in respect of THP. • Compared the cash flows forecast to approved budgets and other relevant market and economic information as well as testing the underlying calculations used to estimate the value-in-use of Transcorp Power Limited. • Involved internal valuation specialists to assist in evaluating management's key assumptions used in the estimation of TPL's recoverable amount. • Ensured appropriate disclosures in the financial statements. Based on the procedures performed above, we believe the goodwill impairment assessment by the Group is appropriate and the balance is not impaired.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 28 February 2020.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Governance Report, Chairman's Statement, CEO's Report, Sustainability Report, Statement of Directors Responsibility, Report of the Statutory Audit Committee and the Company Secretary's Report, 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. The 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 and will 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, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's 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 and / or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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.

Deloitte.

- 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's 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's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements
In accordance with the Fifth schedule of Companies and Allied Matters Act (CAMA) 2020, we expressly state that:

i) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii) The Group has kept proper books of account, so far as appears from our examination of those books.
iii) The Group and Company's financial position and their statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Stella Mba, FCA - FRC/2013/ICAN/00000001348
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
31 March, 2021

04

Financial Statements

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December, 2020

		Group		Company	
	Note(s)	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Revenue	9	75,270,921	76,345,549	2,725,533	3,173,773
Cost of sales	10	(42,301,226)	(40,988,233)	-	-
Gross profit		**32,969,695**	**35,357,316**	**2,725,533**	**3,173,773**
Other operating income/(loss)	11	2,594,879	1,605,424	3,053,642	1,514,144
Impairment (loss)/gain on financial assets	16.3	(3,956,020)	(358,910)	202,318	311,609
Termination benefit	14.2	(2,238,174)	-	-	-
Administrative expenses	15	(11,383,423)	(14,132,392)	(1,187,088)	(1,697,556)
Operating profit		**17,986,957**	**22,471,438**	**4,794,405**	**3,301,970**
Finance income	12	415,418	675,394	1,163,714	1,822,032
Finance cost	13	(16,793,784)	(15,249,208)	(3,291,716)	(3,882,601)
Profit before taxation		**1,608,591**	**7,897,624**	**2,666,403**	**1,241,401**
Income tax expenses	17	2,183,517	(4,192,560)	(278,043)	(506,467)
Profit for the year		**3,792,108**	**3,705,064**	**2,388,360**	**734,934**
Other comprehensive income/(loss):					
Items that will not be reclassified to profit or loss:					
Gains (losses) on valuation of investments in equityinstruments	25	724,633	(265,544)	724,633	(265,544)
Other comprehensive income/(loss) for the year net of taxation		**724,633**	**(265,544)**	**724,633**	**(265,544)**
Total comprehensive income for the year		**4,516,741**	**3,439,520**	**3,112,993**	**469,390**
Profit attributable to:					
Owners of the parent		(862,036)	1,548,727	2,388,360	734,934
Non-controlling interest		4,654,144	2,156,337	-	-
		3,792,108	3,705,064	2,388,360	734,934
Total comprehensive income attributable to:					
Owners of the parent		(137,403)	1,283,183	3,112,993	469,390
Non-controlling interest		4,654,144	2,156,337	-	-
		4,516,741	**3,439,520**	**3,112,993**	**469,390**
Earnings per share					
Per share information					
Basic (loss)/earnings per share	19	(2)	4	6	2
Diluted (loss)/earnings per share	19	(2)	4	6	2

The accounting policies on pages 73 to 88 and the notes on pages 89 to 125 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position as at 31 December, 2020

		Group		Company	
	Note(s)	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Assets					
Non-Current Assets					
Property, plant and equipment	20	155,137,789	158,473,054	19,977	25,172
Right-of-use assets	21	62,893	120,949	62,893	120,949
Investment properties	22	2,047,900	2,047,900	2,047,900	2,047,900
Goodwill	23	30,934,143	30,934,143	-	-
Other intangible assets	24	10,221,940	10,234,090	5,075,818	5,075,818
Investments in subsidiaries	6	-	-	61,167,716	34,061,624
Investment in financial asset	25	4,175,603	3,450,970	4,175,603	3,450,970
Prepayments and other assets	30	36,875	125,431	36,875	12,250
Deferred tax asset	18	1,316,522	78,711	-	-
Deposit for investment	27	27,453,129	-	-	-
		231,386,794	**205,465,248**	**72,586,782**	**44,794,683**
Current Assets					
Inventories	28	4,357,878	4,438,996	-	-
Trade and other receivables	29	97,619,936	97,565,798	16,762,336	14,870,062
Prepayments and other assets	30	1,061,316	720,513	23,208	13,331
Cash and cash equivalents	31	3,769,341	4,941,953	1,172,613	552,699
		106,808,471	**107,667,260**	**17,958,157**	**15,436,092**
Total Assets		**338,195,265**	**313,132,508**	**90,544,939**	**60,230,775**
Equity and Liabilities					
Equity					
Share capital	32	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	33	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves		1,982,031	1,257,398	2,093,711	1,369,078
Retained earnings		38,283,220	39,199,021	10,296,595	8,314,715
Equity attributable to holders of parent		66,839,118	67,030,286	38,964,173	36,257,660
Non-controlling interest		47,570,265	41,708,106	-	-
Total Equity		**114,409,383**	**108,738,392**	**38,964,173**	**36,257,660**
Liabilities					
Non-Current Libilities					
Borrowings	26	103,202,328	92,222,833	34,072,429	18,542,201
Deposit for shares	38	12,935,000	2,410,000	-	-
Contract Liabilities	36	2,445,163	2,617,369	-	-
Deferred income	35	1,052,739	1,073,534	-	-
Deferred tax liabilities	18	6,348,802	7,901,660	-	-
		125,984,032	**106,225,396**	**34,072,429**	**18,542,201**

		Group		Company	
	Note(s)	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Current Liabilities					
Trade and other payables	37	80,192,318	74,788,170	10,601,733	4,623,491
Borrowings	26	15,917,655	21,633,309	6,688,079	577,995
Contract Liabilities	36	170,990	-	-	-
Deferred income	35	252,796	208,442	-	-
Income tax payable	17	1,268,091	1,538,799	218,525	229,428
		97,801,850	98,168,720	17,508,337	5,430,914
Total Liabilities		**223,785,882**	**204,394,116**	**51,580,766**	**23,973,115**
Total Equity and Liabilities		**338,195,265**	**313,132,508**	**90,544,939**	**60,230,775**

The consolidated and separate financial statements were approved by the Board of Directors on 30 March 2021 and were signed on its behalf by:

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

Mr. Mutiu Bakare
Group Chief Finance officer
FRC/2016/ICAN/00000014111

Mrs. Owen Omogiafo
President/GCEO
FRC/2019/IODN/00000019827

The accounting policies on pages 73 to 88 and the notes on pages 89 to 125 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity for the year ended 31 December, 2020

	Share capital	Share premium	Other reserves	Retained earnings	Total attributable to owners of the parents	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Group							
Balance 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)
Total comprehensive (loss)/income for the year	**-**	**-**	**(265,544)**	**1,548,727**	**1,283,183**	**2,156,337**	**3,439,520**
Dividends	-	-	-	(1,219,440)	(1,219,440)	(2,722,587)	(3,942,027)
Rights issue	-	-	-	-	-	4,701,154	4,701,154
Total distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(1,219,440)**	**(1,219,440)**	**1,978,567**	**759,127**
Balance 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**
Balance at 1 January, 2020	**20,323,996**	**6,249,871**	**1,257,398**	**39,199,021**	**67,030,286**	**41,708,106**	**108,738,392**
Profit/(Loss) for the year	-	-	-	(862,036)	(862,036)	4,654,144	3,792,108
Other comprehensive income/(loss)	-	-	724,633	-	724,633	-	724,633
Total comprehensive income/(loss) for the year	**-**	**-**	**724,633**	**(862,036)**	**(137,403)**	**4,654,144**	**4,516,741**
*Adjustment on wound up subsidiary	-	-	-	352,953	352,953	-	352,953
Dividends	-	-	-	(406,718)	(406,718)	(2,630,414)	(3,037,132)
Rights issue	-	-	-	-	-	3,838,429	3,838,429
Total distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(53,765)**	**(53,765)**	**1,208,015**	**1,154,250**
Balance at 31 December, 2020	**20,323,996**	**6,249,871**	**1,982,031**	**38,283,220**	**66,839,118**	**47,570,265**	**114,409,383**
Note(s)	32	32					

* In 2018, Transcorp Staff Share Ownership Trust Company Limited was wound up. The N353m represents the net effect of winding up the entity.

Consolidated and Separate Statement of Changes in Equity for the year ended 31 December, 2020

	Share capital	Share premium	Other reserves	Retained earnings	Total attributable to owners of the parents	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Company							
Balance at 1 January, 2019	**20,323,996**	**6,249,871**	**1,634,622**	**8,799,221**	**37,007,710**	**-**	**37,007,710**
Profit for the year	-	-	-	734,934	734,934	-	734,934
Other comprehensive income	-	-	(265,544)	-	(265,544)	-	(265,544)
Total comprehensive income for the year	**-**	**-**	**(265,544)**	**734,934**	**469,390**	**-**	**469,390**
Dividends	-	-	-	(1,219,440)	(1,219,440)	-	(1,219,440)
Total distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(1,219,440)**	**(1,219,440)**	**-**	**(1,219,440)**
Balance at 31 December, 2019	**20,323,996**	**6,249,871**	**1,369,078**	**8,314,715**	**36,257,660**	**-**	**36,257,660**
Balance at 1 January, 2020	**20,323,996**	**6,249,871**	**1,369,078**	**8,314,715**	**36,257,660**	**-**	**36,257,660**
Profit for the year	-	-	-	2,388,360	2,388,360	-	2,388,360
Other comprehensive income	-	-	724,633	-	724,633	-	724,633
Total comprehensive income for the year	**-**	**-**	**724,633**	**2,388,360**	**3,112,993**	**-**	**3,112,993**
Dividends	-	-	-	(406,480)	(406,480)	-	(406,480)
Total distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(406,480)**	**(406,480)**	**-**	**(406,480)**
Balance at 31 December, 2020	**20,323,996**	**6,249,871**	**2,093,711**	**10,296,595**	**38,964,173**	**-**	**38,964,173**
Note(s)	32	32					

The accounting policies on pages 73 to 88 and the notes on pages 89 to 125 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Cash Flows for the year ended 31 December, 2020

		Group		Company	
		2020	2019	2020	2019
	Note(s)	N '000	N '000	N '000	N '000
Cash flows from operating activities					
Profit before taxation		1,608,591	7,897,624	2,666,403	1,241,401
Adjustments for:					
Depreciation of property, plant and equipment	20	5,752,389	4,541,379	7,397	7,588
Amortisation of intangible assets	24	24,593	23,076	-	-
Depreciation of right of use asset	21	58,056	58,056	58,056	58,056
Loss on disposal of property, plant and equipment	15	-	112,449	-	-
Profit on disposal of property, plant and equipment	11	(2,815)	-	-	-
Dividend income on equity securities	11	(421,250)	(369,137)	(421,250)	(369,137)
Finance income	12	(415,418)	(675,394)	(1,163,714)	(1,822,032)
Finance cost	13	16,793,784	15,249,208	3,291,716	3,882,601
Impairment allowance on financial assets	16.3	3,956,020	358,910	(202,318)	(311,609)
Increase in fair value of investment properties	22	-	(247,900)	-	(247,900)
Adjustment for subsidiary removed from the Group		352,953	-	-	-
Changes in working capital:					
Decrease in Inventories		81,118	372,917	-	-
(Increase)/decrease in Trade and other receivables		(4,010,158)	(14,690,127)	(1,684,993)	6,034,140
(Increase)/decrease in Prepayments		(252,247)	117,108	(34,502)	39,395
Increase in Trade and other payables		5,295,789	11,151,358	5,700,199	1,251,639
(Decrease)/increase in Contract Liabilities		(1,216)	2,587,870	-	-
Increase/(decrease) in Deferred income		23,559	(170,854)	-	-
Cash generated from operations		**28,843,748**	**26,316,543**	**8,216,994**	**9,764,142**
Income tax paid	17	(877,861)	(879,803)	(16,393)	(204,760)
Net cash generated by operating activities		**27,965,887**	**25,436,740**	**8,200,601**	**9,559,382**
Cash flows from investing activities					
Purchase of property, plant and equipment	20	(2,417,498)	(7,171,775)	(2,202)	(10,109)
Proceeds from sale of property, plant and equipment	20	3,189	15,141	526	381
Purchase of other intangible assets	24	(12,443)	(951,116)	-	-
Deposit for investment	27	(27,453,129)	-	-	-
Interest received		415,418	675,394	1,163,714	1,822,032
Investment in subsidiaries		-	-	(27,106,092)	-
Dividend income on equity securities		421,250	369,137	421,250	369,137
Right issue		3,838,429	-	-	-
Net cash (used in)/generated by investing activities		**(25,204,784)**	**(7,063,219)**	**(25,522,804)**	**2,181,441**
Cash flows from financing activities					
Proceeds from borrowings	26	62,164,565	79,156,426	25,680,835	-
Repayment of borrowings	26	(60,199,546)	(82,427,991)	(4,040,522)	(6,198,295)
Deposit for shares		10,525,000	-	-	-
Dividends paid	7	(2,928,772)	(4,168,977)	(406,480)	(1,219,440)
Finance costs	26	(13,494,962)	(9,620,857)	(3,291,716)	(3,882,601)
Net cash generated by/(used in) financing activities		**(3,933,715)**	**(17,061,399)**	**17,942,117**	**(11,300,336)**
Net increase/(decrease) in cash and cash equivalents		**(1,172,612)**	**1,312,122**	**619,914**	**440,487**
Cash and cash equivalent at the beginning of the year	31	4,941,953	3,629,831	552,699	112,212
Cash and cash equivalent at end of the year	**31**	**3,769,341**	**4,941,953**	**1,172,613**	**552,699**

Consolidated and Separate Financial Statements for the year ended 31 December, 2020
Accounting Policies

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, 2020 were authorised for issue in accordance with a resolution of the Directors on 26 March, 2021. Transnational Corporation of Nigeria Plc (the Company or the Parent) is a public company incorporated under the Companies and Allied Matters Act (CAMA) 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. Information on the Group's structure is provided in Note 6. Information on other related party relationships of the Group is provided in Note 40.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in compliance with the 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 year.

2.2 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December, 2020. 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 thethree 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. The 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 other comprehensive income (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 upon 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.

2.4 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.

2.5 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 currentwhen 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
- 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.

2.6 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 lowest level input that is significant to the fair value measurement is directly
- or indirectly observable
- 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 8
- Quantitative disclosures of fair value measurement hierarchy - Note 8
- Investment properties - Note 22
- Financial instruments (including those carried at amortised cost) - Note 7

2.7 Revenue from contracts with customers

The Group is principally engaged in the power, agro-allied, oil & gas and hospitality industry.

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 checks 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 tothe 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.

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 profit 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 substitute with undertakings 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 over time 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.

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 Liability

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.

2.8 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.

2.9 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.

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.

2.10 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.

2.11 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:

Item	Depreciation method	Average useful life
Buildings	Straight line	50 years
Freehold land	Straight line	Not depreciated
Plant and machinery	Straight line	10 to 50 years
Furniture and fixtures	Straight line	5 to 10 years
Motor vehicles	Straight line	4 to 5 years
Computer and office equipment	Straight line	3 to 10 years
Leasehold improvements	Straight line	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.

2.12 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.

Group as 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

Lease liability

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.

Right-of-Use Assets

The Group recognises right-of-use assets 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:

Item	Depreciation method	Average useful life
Office buildings	Straight line	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.

Group as 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.

2.13 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.

2.14 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 an investment property.

2.15 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 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 expenditure

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.

2.16 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 orfor 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.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (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 rate (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 29

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 have 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 have 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 26.

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 andsettle the liabilities simultaneously.

2.17 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.

2.18 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 24
- 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.

2.19 Cash and cash equivalent
Cash and short-term deposits in the statement of financial position comprise of 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.

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.

2.20 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.

2.21 Pension and other post-employment benefits

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.

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.

2.22 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.

3 Significant accounting judgements, estimates and assumptions
The preparation of consolidated and separate financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 operations 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 over time 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 while 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 sale 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:

Allocation of transaction price to customer loyalty programme

- 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;

The Group has assessed that revenue earned from service charge will be recognised 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 are 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 how revenue from food and beverage are 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, 2020 for the investment properties.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 22.

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 29.

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 29, which also sets out key sensitivities of the ECL to changes in these elements.

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.

Notes to the Consolidated and Separate Financial Statements for the year Ended 31 December, 2020.

4. New and Amended Standards and Interpretations

4.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:
Definition of a business - Amendments to IFRS 3

The amendment:

- confirmed that a business must include inputs and processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after 1 January, 2020.

Presentation of Financial Statements: Disclosure initiative

The amendment clarifies and aligns the definition of 'material' and provides guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards

The effective date of the amendment is for years beginning on or after 1 January, 2020.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative

The amendment clarifes and aligns the definition of 'material' and provides guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after 1 January, 2020.

Amendments to references to the conceptual framework in IFRS standards

The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected standards so that they refer to the new framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

The effective date of the amendment is for years beginning on or after 1 January, 2020.

Amendments to IAS 1 and IAS 8 Definition of material

The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

4.2 New and revised IFRS Standards in issue but not yet effective

The Group has chosen not to adopt early, the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 1 January, 2021 or later periods:

Impact of the initial application of Covid-19-related rent concessions amendment to IFRS 16
The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for it were not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; any reduction in lease payment affects only payments originally due on or before 30 June 2021 and there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after June 1, 2020. The Group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements. It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement of fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

IFRS 17 Insurance Contracts
The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.
The effective date of the standard is for years beginning on or after 1 January, 2021.
The Group expects to adopt the standard for the first time in the 2021 consolidated and separate financial statements.

It is unlikely that the standard will have a material impact on the Group's consolidated and separate financial statements.

Amendments to IAS 1 – classification of liabilities as current or non-current
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IFRS 3 – reference to the conceptual framework
The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

It is unlikely that they will have a material impact on the company's consolidated and separate financial statements.
The aggregate impact of the initial application of the statements and interpretations on the Group's consolidated and

separate financial statements is expected to be as follows:

5. Segment information

For management purposes, the Group is organised into business units based on its products and services and has four 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. THP and THC render hospitality services to customers.

Power

Power generation business relates to 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.

Agro-allied

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

The 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.

For the year ended 31 December, 2020

Segments	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
Revenue	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**
External customers	10,152,244	-	-	65,118,677	-	75,270,921	-	75,270,921
Inter-segment	-	-	-	-	2,725,533	2,725,533	(2,725,533)	-
Total revenue	**10,152,244**	**-**	**-**	**65,118,677**	**2,725,533**	**77,996,454**	**(2,725,533)**	**75,270,921**

For the year ended 31 December, 2020

Segments	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
Income/expense	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**
Finance income	6,213	-	-	407,818	1,163,714	1,577,745	(1,162,327)	415,418
Finance cost	5,306,339	-	-	8,495,542	3,291,716	17,093,597	(299,813)	16,793,784
Depreciation	2,575,422	97	60,733	3,108,740	65,453	5,810,445	-	5,810,445
Segment profit /(loss)	**(6,275,518)**	**(431,241)**	**(108,376)**	**11,522,148**	**2,388,360**	**7,095,373**	**(3,303,265)**	**3,792,108**
Total assets	**112,923,332**	**7,572,057**	**27,502,682**	**171,910,325**	**90,544,939**	**410,453,335**	**(72,258,070)**	**338,195,265**
Total liabilities	**51,820,423**	**8,644,003**	**29,236,741**	**128,389,980**	**51,580,766**	**269,671,913**	**(45,886,031)**	**223,785,882**

For the year ended 31 December, 2020

Segments	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
Revenue	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**
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**

For the year ended 31 December, 2020

Segments	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Total segments	Adjustments and eliminations	Consolidated
Income/expense	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**	**N '000**
Finance income	104,700	-	-	176,562	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	(1,044,419)	15,249,208
Depreciation and amortisation	1,839,453	96	116,962	2,577,280	65,644	4,599,435	-	4,599,435
Segment profit / (loss)	613,736	(37,477)	(171,837)	4,110,924	469,390	4,984,736	(1,279,687)	3,705,049
Total assets	**114,746,267**	**6,641,268**	**10**	**162,857,717**	**60,230,775**	**344,476,037**	**(31,343,529)**	**313,132,508**
Total liabilities	**57,203,350**	**7,281,899**	**352,954**	**130,287,366**	**23,973,115**	**219,098,684**	**(14,704,568)**	**204,394,116**

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

Revenue	**2020 N'000**	**2019 N'000**
Total revenue for reportable segments	77,996,454	79,519,322
Elimination of inter-segment revenue (i)	(2,725,533)	(3,173,773)
External revenue	**75,270,921**	**76,345,549**
Profit or loss		
Total (loss) or profit for reportable segments	7,095,373	4,984,736
Elimination of inter-segment profits (ii)	(3,303,265)	(1,279,687)
Consolidated (loss) or profit before taxation	**3,792,108**	**3,705,049**
Assets		
Total assets of reportable segments	410,453,335	344,476,037
Consolidation eliminations (iii)	(72,258,070)	(31,343,529)
Consolidated total assets	**338,195,265**	**313,132,508**
Liabilities		
Total liabilities of reportable segments	269,671,913	219,098,684
Consolidation eliminations (iv)	(45,886,031)	(14,704,568)
Consolidated total liabilities	**223,785,882**	**204,394,116**

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

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

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

(iii) Investments of Transnational Corporation of Nigeria Plc in its subsidiaries and investment of Transcorp Hotels Plc in Transcorp

Hotels Calabar Limited, Transcorp Hotels Port Harcourt Limited and Transcorp Hotels Ikoyi Limited respectively accounts for the consolidation eliminations of total assets of reportable segments. Inter-segment receivables were also eliminated to arrive at the consolidated total assets.

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

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

Analysis of revenue by category	2020 N'000	2019 N'000
Rooms	6,502,452	12,661,372
Food and beverages	2,593,847	6,137,589
Shop rental	693,794	797,745
Other operating revenue	362,151	807,827
Energy sent out and capacity	65,036,798	55,843,217
Ancillary services	81,879	97,800
Total	**75,270,921**	**76,345,550**

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

6. Interests in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Company

Name of company	Principal activities	% holding	% holding	Carrying amount	Carrying amount
		2020	2019	2020	2019
Transcorp Hotels Plc	Hospitality services	83.6 %	83.5 %	27,965,228	19,618,523
Transcorp Power Limited	Power generation	50.9 %	50.9 %	16,826,588	14,392,201
Transcorp Energy Limited	Exploration of petroleum products	100.0 %	100.0 %	9,900	9,900
Trans Afam Nigeria Plc	Power generation	95.0 %	- %	16,325,000	-
Transcorp Properties Limited	Building	100.0 %	100.0 %	10,000	10,000
Transcorp OPL 281 Nigeria Limited	Exploration, refining and marketing of petroleum products	100.0 %	100.0 %	500	500
Terago Commodities Limited	Growing and processing food and cash crops	100.0 %	100.0 %	9,500	9,500
Transcorp Refining Company Limited	Oil and gas exploration, refining and marketing	100.0 %	100.0 %	1,000	1,000
Transcorp Trading and Logistics Limited	General maritime operation	100.0 %	100.0 %	10,000	10,000
Transcorp Telecomms Limited	Communication services	100.0 %	100.0 %	10,000	10,000
Transcorp Hotel Plc investment in subsidiary includes:				-	-
Transcorp Hotels Calabar Limited	Hospitality services	100.0 %	100.0 %	-	-
Transcorp Hotels Port Harcourt Limited	Hospitality services	100.0 %	100.0 %	-	-

Name of company	Principal activities	% holding	% holding	Carrying amount	Carrying amount
		2020	2019	2020	2019
Transcorp Hotels Ikoyi Limited	Hospitality services	58.0 %	58.0 %	-	-
				61,167,716	**34,061,624**
Movement in investment in subsidiaries					
As at 1 January				34,061,624	27,529,887
Additional investment during the year				27,106,092	6,531,737
				61,167,716	**34,061,624**

Details of additional investment during the year

Trans Afam Power Ltd

Following the emergence of Transcorp Consortium as the core investor in Afam Genco (Afam Power Plc and Afam Three Fast Power Ltd), a new subsidiary, Trans Afam Power Ltd was incorporated to execute the takeover of the assets of the Afam Genco. Having paid the initial 25% deposit, Trans Afam Power Ltd, on 5 November 2020 officially took ownership of the Afam Genco following a handover ceremony hosted by the Federal Government. The N16.3b represents Transcorp's contribution towards the equity of Trans Afam Power Ltd.

Transcorp Hotels Plc

At the Board meeting held on 30 June 2020, the Board of Transcorp Hotels Plc resolved to issue Rights of 2,659,574,468 Ordinary shares of 50K each at N3.76k per share. On September 30, 2020, documents pertaining to the Rights Issue and the offer date were approved by Securities and Exchange Commission (SEC). The Rights Issue opened on October 5, 2020 and closed on 11 November 2020. The Rights issue was on the basis of Seven(7) new ordinary shares for every Twenty (20) existing ordinary shares held. At the conclusion of the offer, the Rights Issue was 99.3% subscribed. The Board of Directors passed the resolution to approve the allotment of the shares on 1st December 2020. The Company received the net offer proceeds of N9,835,511,022.34 after deducting the cost of the issue which amounted to N 114,797,943.03.

Transcorp Power Limited

At the Board meeting held on 8 May 2020, the Board of Transcorp Power Ltd authorised the issue of 4,784,011 units of Ordinary shares in the Share Capital of the Company on the basis of two (2) for every thirty-one (31) Ordinary Shares of 50 Kobo each held by the existing shareholders of the Company by way of a Rights issue. The right issue was successful with 99.34% of the Rights allotted, raising N9.9b additional capital.

Dormant entities

Transcorp Trading and Logistics Limited is dormant and is undergoing winding up proceedings. The subsidiary 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:

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest	
		2020	2019
Transcorp Hotels Plc	Nigeria	16.4 %	17.0 %
Transcorp Power Limited	Nigeria	49.1 %	49.1 %

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

Summarised consolidated and separate statement of financial position

	Transcorp Hotels Plc - Group		Transcorp Power Limited	
	2020	2019	2020	2019
Assets				
Non-current assets	107,929,396	108,776,562	60,261,865	62,542,578
Current assets	4,993,936	5,969,707	111,648,460	100,315,139
Total assets	**112,923,332**	**114,746,269**	**171,910,325**	**162,857,717**
Liabilities				
Non-current liabilities	23,526,306	34,649,473	55,977,561	49,021,377
Current liabilities	28,294,117	22,553,877	72,412,419	81,265,989
Total liabilities	51,820,423	57,203,350	128,389,980	130,287,366
Total net assets (liabilities)	61,102,909	57,542,919	43,520,345	32,570,351
Carrying amount of non-controlling interest	**10,020,877**	**9,782,296**	**21,368,489**	**17,946,264**

Summarised consolidated and separate statement of profit or loss and other comprehensive income

	Transcorp Hotels Plc - Group		Transcorp Power Limited	
	2020	2019	2020	2019
Revenue	10,152,244	20,404,533	65,118,677	55,941,017
Other income and expenses	(19,092,531)	(19,280,300)	53,120,766	(46,681,162)
Profit before tax	(8,940,287)	1,124,233	11,997,911	9,259,855
Tax expense	2,664,769	(510,497)	(475,762)	(5,148,931)
Profit (loss)	(6,275,518)	613,736	11,522,149	4,110,924
Total comprehensive income	(6,275,518)	613,736	11,522,149	4,110,924
Profit (loss) allocated to non-controlling interest	(1,004,383)	104,335	5,658,527	2,054,884

Summarised consolidated and separate statement of cash flows

	Transcorp Hotels Plc - Group		Transcorp Power Limited	
	2020	2019	2020	2019
Cash flows from operating activities	8,374,646	8,662,408	12,288,111	6,367,944
Cash flows from investing activities	(1,689,814)	(3,701,375)	(728,530)	(3,406,051)
Cash flows from financing activities	(7,325,418)	(5,258,582)	(12,799,005)	(1,658,944)
Net increase(decrease) in cash and cash equivalents	**(640,586)**	**(297,549)**	**(1,239,424)**	**1,302,949**

7. Financial instruments risk management objectives and policies

The Group's principal financial liabilities comprise of 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.

Classes and categories of financial instruments and their fair values

Categories of financial assets

Group - 2020

	Note(s)	Fair value through other comprehensive income	Amortised cost	Total	Fair value
				Carrying value	
Investment in financial assets	25	4,175,603	-	4,175,603	4,175,603
Trade and other receivables	29	-	97,619,936	97,619,936	97,619,936
Cash and cash equivalents	31	-	3,769,341	3,769,341	3,769,341
		4,175,603	101,389,277	105,564,880	105,564,880

Group - 2019

	Note(s)	Fair valuethrough other comprehensive income	Amortised cost	Total	Fair value
				Carrying value	
Investments in financial asset	25	3,450,970	-	3,450,970	3,450,970
Trade and other receivables	29	-	97,565,798	97,565,798	97,565,798
Cash and cash equivalents	31	-	4,941,953	4,941,953	4,941,953
		3,450,970	102,507,751	105,958,721	105,958,721

Company - 2020

	Note(s)	Fair valuethrough other comprehen- sive income	Amortised cost	Total	Fair value
				Carrying value	
Investments in financial asset	25	4,175,603	-	4,175,603	4,175,603
Trade and other receivables	29	-	16,762,336	16,762,336	16,762,336
Cash and cash equivalents	31	-	1,172,613	1,172,613	1,172,613
		4,175,603	17,934,949	22,110,552	22,110,552

Company - 2019

	Note(s)	Fair value through other comprehensive income	Amortised cost	Total	Fair value
				Carrying value	
Investments in financial assets	25	3,450,970	-	3,450,970	3,450,970
Trade and other receivables	29	-	14,870,062	14,870,062	14,870,062
Cash and cash equivalents	31	-	552,699	552,699	552,699
		3,450,970	**15,422,761**	**18,873,731**	**18,873,731**

Categories of financial liabilities

Group - 2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	37	79,610,717	79,610,717	80,040,285
Borrowings	26	119,119,983	119,119,983	121,640,548
		198,730,700	**198,730,700**	**201,680,833**

Group - 2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	37	74,479,862	74,479,862	74,659,390
Borrowings	26	113,856,142	113,856,142	116,387,477
		188,336,004	**188,336,004**	**191,046,867**

Company - 2020

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	37	10,529,337	10,529,337	5,142,319
Borrowings	26	40,760,508	40,760,508	40,760,508
		51,289,845	51,289,845	45,902,827

Company - 2019

	Note(s)	Amortised cost	Total	Fair value
Trade and other payables	37	4,551,098	4,551,098	4,623,492
Borrowings	26	19,120,196	19,120,196	19,120,196
		23,671,294	**23,671,294**	**23,743,688**

Capital risk 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	
		2020 N'000	**2019 N'000**	**2020 N'000**	**2019 N'000**
Borrowings	26	119,119,983	113,856,142	40,760,508	19,120,196
Trade and other payables	37	80,192,318	74,788,170	10,601,733	4,623,491
Total debt		**199,312,301**	**188,644,312**	**51,362,241**	**23,743,687**
Cash and cash equivalents	31	(3,769,341)	(4,941,953)	(1,172,613)	(552,699)
Net debt		**195,542,960**	**183,702,359**	**50,189,628**	**23,190,988**
Equity		114,409,383	108,738,392	38,964,173	36,257,660
Capital and net debt		309,952,343	292,440,751	89,153,801	59,448,648
Gearing ratio		63 %	63 %	56 %	39 %

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, 2020 and 2019.

Financial risk management

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.

The maximum exposure to credit risk is presented in the table below:

Group		2020			2019		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29.3	104,403,337	(6,783,401)	97,619,936	100,388,461	(2,822,663)	97,565,798

Company		2020			2019		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29	20,178,652	(3,416,316)	16,762,336	18,476,560	(3,606,498)	14,870,062

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.

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 analysis
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	2020	2020	2019	2019
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on profit before tax:				
Change in USD rate 2% (2019: 2%)	444,052	(444,052)	490,487	(490,487)
Change in GBP rate 2% (2019: 2%)	1,368	(1,368)	1,425	(1,425)
	445,420	**(445,420)**	**491,912**	**(491,912)**

Company	2020	2020	2019	2019
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on profit before tax:				
Change in USD rate 2% (2019: 2%)	**14**	**(14)**	**68**	**(68)**

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 exposuredoes not reflect the exposure during the year.

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.

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 N4,175,603,000 (31 December, 2020: N3,450,970,000) 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 N427,909,827 (31 December, 2019: N172,548,500) increase/(decrease) on the income and equity attributable to the Group.

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.

7.1 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 Companyexpects 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 exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

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.

7.1a 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 experts 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, 2019 and 31 December, 2020.

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 average and so are the same for each scenario.

Group and Company 31 December, 2020 Key drivers	**ECL scenario**	**Assigned probabilities**	**2021**	**2022**	**2023**
Oil price	Upturn	10 %	52.30	53.50	54.96
	Base	82 %	51.90	52.70	53.87
	Downturn	8 %	49.98	50.78	51.91
Unemployment rate	Upturn	10 %	0.34	0.36	0.36
	Base	80 %	0.32	0.34	0.37
	Downturn	10 %	0.26	0.33	0.33
Inflation rate	Upturn	10 %	0.11	0.11	0.11
	Base	80 %	0.11	0.11	0.11
	Downturn	10 %	0.12	0.12	0.12

Group and Company 31 December, 2019 Key drivers	**ECL scenario**	**Assigned probabilities**	**2021**	**2022**	**2023**
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

7.1b The following tables outline the impact of multiple scenarios on the allowance:

	Group			**Company**		
31 December, 2020	**Short-term deposits**	**Other receivables**	**Total**	**Short-term deposits**	**Other receivables**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Upside (10%)	-	56,708	56,708	-	341,632	341,632
Base (82%)	-	465,011	465,011	-	2,801,379	2,801,379
Downturn (8%)	-	45,367	45,367	-	273,305	273,305
	-	**567,086**	**567,086**	**-**	**3,416,316**	**3,416,316**

	Group			Company		
31 December, 2019	**Short-term deposits**	**Other receivables**	**Total**	**Short-term deposits**	**Other receivables**	**Total**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Upside (10%)	590	56,708	57,298	530	360,650	361,180
Base (80%)	4,718	465,011	469,729	4,718	2,885,198	2,889,916
Downturn (10%)	590	45,367	45,957	590	360,650	361,240
	5,898	**567,086**	**572,984**	**5,838**	**3,606,498**	**3,612,336**

7.1c An analysis of changes in the gross carrying amount and the corresponding ECL allowances is, as follows:

	Group		Company	
	2020 N'000	**2019 N'000**	**2020 N'000**	**2019 N'000**
Intercompany and other receivables	4,397,492	6,592,911	18,476,560	31,048,335
Gross carrying amount as at 1 January Repayment/Asset derecognised	(866,949)	(2,195,419)	1,702,092	(12,571,775)
At 31 December	**3,530,543**	**4,397,492**	**20,178,652**	**18,476,560**

	Group		Company	
	2020 N'000	**2019 N'000**	**2020 N'000**	**2019 N'000**
ECL allowance as at 1 January	567,086	618,439	3,606,498	3,922,544
Charged for the year	-	-	-	-
Asset derecognised or repaid (excluding write offs)	-	(51,353)	(190,182)	(316,046)
At 31 December	**567,086**	**567,086**	**3,416,316**	**3,606,498**

	Group		Company	
	2020 N'000	**2019 N'000**	**2020 N'000**	**2019 N'000**
Short-term deposits				
Gross carrying amount as at 1 January	1,727,116	1,376,959	544,639	102,959
Additions	-	350,157	-	441,680
Asset derecognised or repaid (excluding write offs)	(1,184,042)	-	(1,787)	-
At 31 December	**543,074**	**1,727,116**	**542,852**	**544,639**
ECL allowance as at 1 January	5,898	1,461	5,898	1,461
Charged for the year	-	4,437	-	4,437
Asset derecognised or repaid (excluding write offs)	(5,898)	-	(5,898)	-
At 31 December	**-**	**5,898**	**-**	**5,898**

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, politicalor 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 Year ended 31 December, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	-	-	15,917,655	50,953,746	52,248,582	119,119,983
Trade and other payables	-	-	79,610,717	-	-	79,610,717
	-	**-**	**95,528,372**	**50,953,746**	**52,248,582**	**198,730,700**

Group Year ended 31 December, 2019	On de-mand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	5,736,912	2,276,896	13,619,501	25,782,895	66,439,938	113,856,142
Trade and other payables	23,741,888	39,952,857	10,785,117	-	-	74,479,862
	29,478,800	42,229,753	24,404,618	25,782,895	66,439,938	188,336,004

Company Year ended 31 December, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	-	-	6,688,079	2,560,704	31,511,725	40,760,508
Trade and other payables	-	-	10,529,337	-	-	10,529,337
	-	**-**	**17,217,416**	**2,560,704**	**31,511,725**	**51,289,845**

Company Year ended 31 December, 2019	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Interest-bearing loans and borrowings	-	577,995	-	4,750,640	13,791,561	19,120,196
Trade and other payables	2,676,099	-	1,875,000	-	-	4,551,099
	2,676,099	**577,995**	**1,875,000**	**4,750,640**	**13,791,561**	**23,671,295**

Changes in liabilities arising from financing activities

Group	1 January, 2020	Additional loan	Loan repayment	Foreign exchange	Dividend paid	Others	31 December, 2020
Current interest-bearing **loans and borrowings**	21,633,309	-	-	(672,439)	-	(5,043,215)	15,917,655
Non-current interest bearing loans and borrowings	92,222,833	62,164,565	(56,745,416)	-	-	5,560,346	103,202,328
Dividend payable	2,474,314	-	-	-	(2,928,772)	3,037,132	2,582,674
Deferred income	1,281,976	23,559	-	-	-	-	1,305,535
Total liabilities from financing activities	**117,612,432**	**62,188,124**	**(56,745,416)**	**(672,439)**	(2,928,772)	**3,554,263**	**123,008,192**

Group	1 January, 2019	Additional loan	Loan repayment	Foreign exchange	Dividend paid	Others	31 December, 2019
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
Dividend 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 fromfinancing activities	**114,249,091**	**79,156,426**	**(82,427,991)**	**383,481**	**(4,168,977)**	**10,420,402**	**117,612,432**

Company	1 January, 2020	Additional loan	Loan repayment	Foreign exchange	Dividend paid	Others	31 December, 2020
Current interest-bearing loans and borrowings	577,995	-	-	-	-	6,110,084	6,688,079
Non-current interest bearing loans and borrowings	18,542,201	25,680,834	(4,040,522)	-	-	(6,110,084)	34,072,429
Dividend payable	-	-	-	-	(406,480)	406,480	-
Total liabilities from financing activities	**19,120,196**	**25,680,834**	**(4,040,522)**	**-**	**(406,480)**	**406,480**	**40,760,508**

Company	1 January, 2019	Additional loan	Loan repayment	Foreign exchange	Dividend paid	Others	31 December, 2019
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
Dividend payable	-	-	-	-	(1,219,440)	1,219,440	-
Total liabilities fromfinancing activities	**25,318,491**	**-**	**(6,198,295)**	**-**	**(1,219,440)**	**1,219,440**	**19,120,196**

8. Fair value measurement

Fair value hierarchy
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, 2020:

<u>Fair value measurement</u>

Group Asset measured at fair value:	Date of valuation	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
Investment properties (Note 22)	31 December, 2020	2,047,900	-	-	2,047,900
Listed equity investments (Note 26)	31 December, 2020	4,175,603	4,175,603	-	-

There were no transfers between Level 1 and Level 2 during 31 December, 2020.

Fair value measurement heirarchy for liabilities as at 31 December, 2020

Liabilities for which fair values are disclosed (Note 26)	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Fair value measurement			
		N'000	**N'000**	**N'000**	**N'000**
		-	-	-	-
The Group Interest-bearing loans and borrowings:	31 December, 2020	121,640,548	-	121,640,548	-
		-	-	-	-
The Company Interest-bearing loans and borrowings:	31 December, 2020	40,760,508	40,760,508	-	-

There were no transfers between Level 1 and Level 2 during 31 December, 2020.

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

Company Assets measured at fair value:	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Fair value measurement			
		N'000	**N'000**	**N'000**	**N'000**
Investment properties (Note 22)	31 December, 2019	-	-	-	2,047,900
Listed equity investments (Note 26)	31 December, 2019	-	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

Liabilities for which fair values are disclosed (Note 26)	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		Fair value measurement			
		N'000	**N'000**	**N'000**	**N'000**
The Group	-	-	-	-	-
Interest-bearing loans and borrowings:	31 December, 2019	114,617,580	-	114,617,580	-
The Company	-	-	-	-	-
Interest-bearing loans and borrowings:	31 December, 2019	18,646,305	-	18,646,305	-

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

9. Revenue

Disaggregation of revenue from contracts with customers

The group disaggregates revenue from customers as follows:

31 December,2020	Hospitality	Power	Corporate centre	Total
	N'000	N'000	N'000	N'000
Rooms	6,502,452	-	-	6,502,452
Food and beverages	2,593,847	-	-	2,593,847
Shop rental	693,794	-	-	693,794
Electric energy and capacity	-	65,036,798	-	65,036,798
Ancillary services	-	81,879	-	81,879
Other operating revenue	362,151	-	-	362,151
Total revenue from contracts with customers	10,152,244	65,118,677	-	75,270,921
Other revenue Dividend income	-	-	2,725,533	2,725,533
Total revenue	10,152,244	65,118,677	2,725,533	77,996,454
Timing of revenue recognition Goods transferred at a point in time	2,593,847	-	-	2,593,847
Services transferred overtime	7,558,397	65,118,677	-	72,677,074
Total revenue from contracts with customers	10,152,244	65,118,677	-	75,270,921

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note5):

	Hospitality	Power	Corporate centre	Total
Revenue	N'000	N'000	N'000	N'000
External customer	10,152,244	65,118,677	-	75,270,921
Inter-segment	-	-	2,725,533	2,725,533
	10,152,244	65,118,677	2,725,533	77,996,454
Inter-segment adjustments and eliminations	-	-	(2,725,533)	(2,725,533)
Total revenue	10,152,244	65,118,677	-	75,270,921

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	6,137,588	-	-	6,137,588
Shop rental	797,745	-	-	797,745
Electric energy and capacity	-	55,843,217	-	55,843,217
Ancillary services	-	97,800	-	97,800
Other operating revenue	807,827	-	-	807,827
Total revenue from contracts with customers	20,404,532	55,941,017	-	76,345,549
Other revenue Dividend income	-	-	3,173,773	3,173,773
Total revenue	20,404,532	55,941,017	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 overtime	14,266,943	55,941,017	-	70,207,960
Total revenue from contracts with customers	20,404,532	55,941,017	-	76,345,549

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note5):

	Hospitality	Power	Corporate centre	Total
	N'000	N'000	N'000	N'000
Revenue				
External customer	20,404,532	55,941,017	-	76,345,549
Inter-segment	-	-	3,173,773	3,173,773
	20,404,532	55,941,017	3,173,773	79,519,322
Inter-segment adjustments and eliminations	-	-	(3,173,773)	(3,173,773)
Total revenue	20,404,532	55,941,017	-	76,345,549

10. Cost of sales

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Room	1,300,823	1,701,020	-	-
Food and beverages	2,060,767	3,195,613	-	-
Natural gas and fuel costs	33,003,401	30,536,408	-	-
Direct materials and related expenses	760,606	829,285	-	-
Employee costs	696,451	821,942	-	-
Depreciation and impairment	3,050,117	2,468,198	-	-
Repairs and maintenance	1,060,469	1,015,263	-	-
Insurance	240,708	240,927	-	-
Other expenses	127,884	179,577	-	-
	42,301,226	40,988,233	-	-

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
11. Other operating income/(loss)				
Management fees from subsidiaries	-	-	998,721	869,031
Change in fair value of investment properties	-	247,900	-	247,900
Dividend income on equity securities	421,250	369,137	421,250	369,137
Rental income on investment property	20,000	10,833	20,000	10,833
Security deposit	157,970	147,680	-	-
Other income	2,369,764	171,813	1,613,671	17,243
Deferred income(Note 35)	253,488	170,854	-	-
Profit on disposal of assets	2,815	-	-	-
Net foreign exchange gains (loss)	(630,408)	487,207	-	-
	2,594,879	**1,605,424**	**3,053,642**	**1,514,144**

Included in other income in the Group and Company is a withholding tax refund of N1.6billion which relates to WHT initially deducted from dividend received from Transcorp Power Limited when the company was under the pioneer status and provision of N607million no longer required from components within Group.

12. Finance income

Financial instruments measured at amortised cost Interest income				
Interest on loan	409,205	659,820	1,163,714	1,806,458
Interest on bank deposits	6,213	15,574	-	15,574
Total finance income	**415,418**	**675,394**	**1,163,714**	**1,822,032**

13. Finance cost

Interest on loans and borrowings	14,889,299	16,270,086	3,291,716	3,882,601
Net foreign exchange losses on foreign currency borrowings	1,904,485	383,481	-	-
Total finance costs	**16,793,784**	**16,653,567**	**3,291,716**	**3,882,601**
Less: Capitalised to qualifying assets	-	(1,404,359)	-	-
Total finance costs expensed	**16,793,784**	**15,249,208**	**3,291,716**	**3,882,601**

14. Employee costs

Wages and salaries				
Direct employee costs	581,911	710,089	-	-
Pension costs	114,540	111,853	-	-
	696,451	**821,942**	**-**	**-**
Indirect employee costs				
Wages and salaries	2,084,257	2,158,274	211,100	248,067
Pension costs	49,810	209,576	12,139	16,098
	2,134,067	**2,367,850**	**223,239**	**264,165**
Total employee costs				
Direct employee costs	696,451	821,942	-	-
Indirect employee costs	2,134,067	2,367,850	223,239	264,165
	2,830,518	**3,189,792**	**223,239**	**264,165**

Average number of persons employed during the year

	Group		**Company**	
	2020	**2019**	**2020**	**2019**
Managerial	56	66	6	10
Senior staff	256	403	6	9
Others	646	1,261	3	3
	958	**1,730**	**15**	**22**

The table shows the number of employees (excluding Directors) whose earnings during the year fell within the ranges shown below:

N500,000 - N1,000,000	241	436	-	-
N1,000,001 - N2,000,000	405	156	3	3
N2,000,001 - N4,000,000	248	844	1	3
N4,000,001 - N5,000,000	8	198	2	2
N5,000,001 and above	56	96	9	14
	958	**1,730**	**15**	**22**

Staff costs for the above persons (excluding Directors):

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Salaries and wages	2,666,168	2,868,363	211,100	248,068
Pension cost	164,350	321,429	12,139	16,097
	2,830,518	**3,189,792**	**223,239**	**264,165**

14.1 Compensation of Managers

Salaries and short-term employee benefits	483,395	704,602	88,297	101,561
Defined contributions	25,749	35,890	4,116	5,075
	509,144	740,492	92,413	106,636

Managers excludes Directors (executive and non-executive). The compensation paid or payable to managers for services is as shown above. The number of managers of the Group (including the highest paid manager) whose remuneration, excluding pension contributions, in respect of services to the Group is within the following range:

	Group		Company	
	2020	2019	2020	2019
Less than N10,000,000	24	27	-	-
Over N10,000,000	20	28	5	5
	44	**55**	**5**	**5**

14.2 Termination/Retirement benefits

Following the completion of the restructuring exercise for Transcorp Hilton's workforce and the renegotiation of the Collective Bargaining Agreement (CBA), additional costs of N1.2 billion and N1 billion were recognised as termination benefit cost and retirement pension respectively. The provision for retirement benefit relates to the established liabilities for the existing staff.

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
15. Administrative expenses				
Employee costs	2,134,067	2,367,850	223,239	264,165
Depreciation	2,760,328	2,131,237	65,453	65,644
Amortisation	24,593	23,076	-	-
Auditors remuneration	91,880	110,500	27,200	29,500
Marketing, sales and advertisement	135,077	729,165	4,799	7,903
Bank charges	241,398	363,957	12,765	4,778
Group services and benefits	192,947	391,861	-	-
Professional fees	398,981	859,638	214,948	566,162
Donations	1,426	8,940	-	-
Directors renumeration	573,168	620,149	245,995	295,897
Corporate social responsibility	292,394	242,362	-	-
Loss on asset disposal	-	112,449	-	-
Management fees	496,377	1,338,452	-	-
Insurance	444,154	404,291	23,675	14,452
Telecommunications and IT expenses	118,332	199,857	-	1,100

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Rents and rates	63,161	58,358	-	-
Energy cost	979,686	1,302,207	12,233	15,492
Repairs and maintenance	612,689	922,399	9,735	5,839
License and fees	29,738	154,928	29,738	25,635
Security	141,915	87,768	1,440	3,607
Travel, logistics and accommodation	239,274	424,830	88,037	129,326
Other administrative expenses	1,411,838	1,278,118	227,831	268,056
Total administrative expenses	**11,383,423**	**14,132,392**	**1,187,088**	**1,697,556**

16. Operating profit (loss)

The profit/(loss) for the year was arrived at after charging/(crediting) the following:

16.1 Auditor's remuneration				
Auditor's remuneration - external				
Audit fees	91,880	110,500	27,200	29,500
16.2 Depreciation and amortisation				
Depreciation of property, plant and equipment	5,752,389	4,541,379	7,397	7,588
Depreciation of right-of-use assets	58,056	58,056	58,056	58,056
Amortisation of intangible assets	24,593	23,076	-	-
Total depreciation and amortisation	**5,835,038**	**4,622,511**	**65,453**	**65,644**
Less: Depreciation and amortisation included in cost of merchandise sold and inventories(Note 10)	(3,050,117)	(2,468,198)	-	-
Total depreciation and amortisation expensed	**2,784,921**	**2,154,313**	**65,453**	**65,644**
16.3 Impairment loss/(gain) on financial assets				
Trade receivables(Note 29.5)	3,960,738	405,826	-	-
Short term deposit(Note 7.1c)	(5,898)	4,437	(5,898)	4,437
Related party and other receivables(Note 7.1c)	-	(51,353)	(190,182)	(316,046)
Other write off/(write back)	1,180	-	(6,238)	-
	3,956,020	**358,910**	**(202,318)**	**(311,609)**

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
16.4 Foreign exchange gains/(losses)				
Net foreign exchange gains (loss)	(630,408)	487,207	-	-

17. Income tax

Current tax expense

Income tax charge/(credit)	197,486	(852,796)	5,490	189,090
Education tax charged	409,470	201,053	-	-
Capital gain tax	197	-	-	-
Total current income tax	607,153	(651,743)	5,490	189,090
Tax on franked investment income	-	-	272,553	317,377
Deferred tax:				
Relating to origination and reversal of temporary differences	(2,790,670)	4,844,303	-	-
Net income tax (credit)/expense as per profit or loss	**(2,183,517)**	**4,192,560**	**278,043**	**506,467**

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
17.1 Current tax payable				
At 1 January	1,538,799	3,070,345	229,428	245,098
Charge for the year	607,153	(651,743)	5,490	189,090
Payment during the year:				
Cash payment	(877,861)	(879,803)	(16,393)	(204,760)
31 December, 2020	1,268,091	1,538,799	218,525	229,428

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

	Group 2020 N'000	Group 2019 N'000	Company 2020 N'000	Company 2019 N'000
Accounting profit	1,608,591	7,897,624	2,666,403	1,241,401
Tax at the applicable tax rate of 30% (2019: 30%)	482,577	2,369,287	799,921	372,420
Tax effect of adjustments on taxable income				
Education tax-	402,003	201,053	-	-
Capital gain tax	197	-	-	-
Non-deductible for tax purposes	188,859	-	-	-
Non-deductible for tax purposes: Tax on franked investment income	-	-	272,553	317,377
Income not subjected to tax	(867,518)	(244,643)	(742,056)	(207,655)
Other non-deductible expenses	(2,389,635)	1,866,863	(52,375)	24,325
Income tax expense reported in profit or loss	(2,183,517)	4,192,560	278,043	506,467
Effective tax rate	**(136)%**	**53 %**	**10 %**	**41 %**

	Group			Company
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
18. Deferred tax				
Deferred tax liability	(6,348,802)	(7,901,660)	-	-
Deferred tax asset	1,316,522	78,711	-	-
Total net deferred tax liability	**(5,032,280)**	**(7,822,949)**	**-**	**-**

Reconciliation of deferred tax asset / (liability)

	Group			
	Consolidated statement of financial position		Consolidated profit or loss	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Accelerated depreciation for tax purposes	20,127,948	18,799,388	(285,303)	9,344,331
Unrealised FX losses	(571,529)	(5,316,522)	(678,427)	14,995
Expected credit losses of debt financial assets	(1,915,156)	(2,093,901)	(1,237,774)	(949,007)
Losses available for offsetting against future taxable income	(12,608,983)	(3,566,016)	(589,166)	(3,566,016)
	5,032,280	**7,822,949**	**(2,790,670)**	**4,844,303**

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.

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 N10.5 billion and N8.5 billion as at 31 December, 2020 and 2019 respectively while deferred tax assets of N3.15 billion and N2.6 billion were not recognised for the year ended 31 December, 2020 and 2019 respectively

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	
	2020 N'000	**2019 N'000**	**2020 N'000**	**2019 N'000**
Profit attributable to ordinary equity holders of the parent forbasic earnings	(862,036)	1,548,727	2,388,360	734,934
Average number of ordinary shares for basic EPS (thousands)	40,647,992	40,647,992	40,647,992	40,647,992
Basic Earnings per share (Kobo)	(2)	4	6	2
Diluted Earnings per share (Kobo)	(2)	4	6	2

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

Reconciliation of property, plant and equipment - Group

	Land	Buildings	Plant and machinery	Computer and office equipments	Motor vehicles	Capital Work in progress	Total
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Cost At 1 January, 2019	37,739,649	17,763,796	65,206,940	3,666,972	723,632	52,637,612	177,738,601
Additions	-	213,955	2,409,519	399,223	101,098	4,047,980	7,171,775
Disposals	-	(135,949)	(14,960)	(2,712)	(37,524)	-	(191,145)
Reclassifications	-	32,335,125	1,503,907	14,036,459	-	(47,875,491)	-
Interest cost capitalised in the year (Note13)	-	-	-	-	-	1,404,359	1,404,359
At 31 December, 2019	**37,739,649**	**50,176,927**	**69,105,406**	**18,099,942**	**787,206**	**10,214,460**	**186,123,590**
Additions	-	1,905	768,810	287,341	61,180	1,298,262	2,417,498
Disposals	-	-	-	(1,222)	-	-	(1,222)
Reclassifications	-	2,101,185	255,271	-	-	(2,356,456)	-
Interest cost capitalised in the year	-	-	-	-	-	-	-
At 31 December, 2020	**37,739,649**	**52,280,017**	**70,129,487**	**18,386,061**	**848,386**	**9,156,266**	**188,539,866**

	Land	Buildings	Plant and machinery	Computer and office equipments	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Accumulated depreciation and impairment							
At 1 January, 2019	-	(3,094,620)	(16,648,399)	(2,873,016)	(556,677)	-	(23,172,712)
Depreciation charge	-	(804,624)	(2,779,610)	(877,105)	(80,040)	-	(4,541,379)
Disposals	-	18,330	9,095	637	35,493	-	63,555
At 31 December, 2019	**-**	**(3,880,914)**	**(19,418,914)**	**(3,749,484)**	**(601,224)**	**-**	**(27,650,536)**
Depreciation charge	-	(1,096,695)	(3,340,126)	(1,263,148)	(52,420)	-	(5,752,389)
Disposals	-	-	-	848	-	-	848
At 31 December, 2020	**-**	**(4,977,609)**	**(22,759,040)**	**(5,011,784)**	**(653,644)**	**-**	**(33,402,077)**
Carrying amount							
At 31 December, 2019	**37,739,649**	**46,296,013**	**49,686,492**	**14,350,458**	**185,982**	**10,214,460**	**158,473,054**
At 31 December, 2020	**37,739,649**	**47,302,408**	**47,370,447**	**13,374,277**	**194,742**	**9,156,266**	**155,137,789**

Reconciliation of property, plant and equipment - Company

	Buildings	Plant and machinery	Computer and office equipment	Motor vehicles	Total
	N'000	N'000	N'000	N'000	N'000
Cost					
At 1 January, 2019	28,862	8,771	69,591	7,975	115,199
Additions	-	-	2,811	7,298	10,109
Disposals and scrappings	-	-	(612)	-	(612)
At 31 December, 2019	**28,862**	**8,771**	**71,790**	**15,273**	**124,696**
Additions	-	-	1,922	280	2,202
At 31 December, 2020	**28,862**	**8,771**	**73,712**	**15,553**	**126,898**
Depreciation and impairment as at 1 January, 2019	(28,631)	(2,222)	(53,985)	(7,329)	(92,167)
Disposals	-	-	231	-	231
Depreciation	(170)	(772)	(5,430)	(1,216)	(7,588)
At 31 December, 2019	**(28,801)**	**(2,994)**	**(59,184)**	**(8,545)**	**(99,524)**
Depreciation	(61)	(772)	(4,652)	(1,912)	(7,397)
At 31 December, 2020	**(28,862)**	**(3,766)**	**(63,836)**	**(10,457)**	**(106,921)**
Carrying amount					
At 31 December, 2019	**61**	**5,777**	**12,606**	**6,728**	**25,172**
At 31 December, 2020	**-**	**5,005**	**9,876**	**5,096**	**19,977**

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Depreciation is allocated as follows:				
Cost of sales	3,050,117	2,468,198	-	-
Administrative expenses	2,702,272	2,073,181	7,397	7,588
	5,752,389	**4,541,379**	**7,397**	**7,588**

As at 31 December, 2020, there is negative pledge over the Group's property, plant and equipment and floating assets, given in relation to the Group's borrowings. (2019: Nil).

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

21. Right of Use Assets (Group as Lessee)

	Buildings N '000
Cost	
At 1 January 2019	179,005
At 31 December 2019	179,005
Opening balance at 1 January 2020	179,005
At 31 December 2020	179,005
Depreciation and impairment	
At 1 January 2019	-
Depreciation	58,056
At 31 December 2019	58,056
At 1 January 2020	58,056
Depreciation	58,056
At 31 December 2020	116,112
Carrying amount	
At 31 December 2019	120,949
At 31 December 2020	62,893

22. Investment properties

	Group		Company	
	2020	**2019**	**2020**	**2019**
	N'000	**N'000**	**N'000**	**N'000**
Opening balance at 1 January	2,047,900	1,800,000	2,047,900	1,800,000
Administrative expenses	-	247,900	-	247,900
	2,047,900	**2,047,900**	**2,047,900**	**2,047,900**

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, 2020, 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. Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss are recognised in the profit ot loss account.

Rental income derived from investment properties during the year amounts to N20 million (2019: N10.8 million).
Fair value hierarchy disclosures for investment properties are in Note 8.

Reconciliation of investment property - Group and Company

	Investment property N '000
Cost At 1 January 2019	1,800,000
Fair value remeasurement	247,900
At 31 December 2019	2,047,900
At 31 December 2020	2,047,900
Depreciation and impairment	-
Depreciation	-
Carrying amount	
Carrying amount	
At 31 December, 2019	**2,047,900**
At 31 December, 2020	**2,047,900**

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

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2020	**2019**
Land - market comparison method (refer below)	Estimated rental value per sqm per month	693	693
	Rent growth p.a.	**20 %**	**20 %**
	Average land value per square meter	**420,000**	**420,000**

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.

23. Goodwill and intangible assets with indefinite useful lives

Reconciliation of goodwill - Group

	Goodwill N'000
Cost	
At 1 January, 2019	**30,934,143**
Additions on acquisition of a subsidiary	-
At 31 December, 2020	-
Additions on acquisition of a subsidiary	-
At 31 December, 2020	**30,934,143**
Accumulated impairment losses Impairment losses for the year	-
At 31 December, 2019	-
Impairment losses for the year	-
At 31 December, 2020	-
Carrying amount	
At 31 December, 2019	**30,934,143**
At 31 December, 2020	**30,934,143**

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

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Carrying amount of goodwill Transcorp Power Limited (TPL)	9,701,190	9,701,190	-	-
Transcorp Hotels Plc (THP)	21,232,953	21,232,953	-	-
Total carrying amount of goodwill	30,934,143	30,934,143	-	-

In assessing goodwill for impairment at 31 December 2019, the Group compared the recoverable amount of the net assets of the CGU to its respective carrying amounts. Based on the results of the impairment evaluation described below, the recorded goodwill was not impaired as the recoverable amount of the subsidiary exceeded the carrying value.

Transcorp Power Limited CGU

The recoverable amount of Transcorp Power Limited CGU, N122,944,503,000 as at 31 December 2020, 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% (2019: 19.55%) and cash flows beyond the five-year period are extrapolated using a 2.5% growth rate (2019: 5.5%) that is the same as the long-term average growth rate for the power industry. It was concluded that the recoverable amountexceeded the carrying amount. As a result of this analysis, no impairment charge has been recognised by management.

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

Transcorp Hotels Plc CGU

Basis of valuation

The fair value of the assets of Transcorp Hotels Plc has been determined based on the market value. This is the price which an asset may be reasonably expected to be realised in a sale in a private contract assuming:

- a willing buyer;
- a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
- values will remain static throughout the period;
- the property will be freely exposed to the market;
- no account is to be taken of an additional bid by a special purchaser;
- no account is to be taken of expenses of realization, which may arise in the event of a disposal.

Method of valuation

As at 31 December 2020, the fair value of the assets of Transcorp Hotel Plc has been determined by Mr. Chukwudi Ubosi of Ubosi with FRC/2014/NIES0000003997 Eleh & Co. Estate Surveyors & Valuers, an accredited independent valuer.

The following factors were considered in valuing the assets of the subsidiary:

- total economic working life of the item in question;
- age and remaining economic life of the item;
- the degree of physical deterioration and obsolescence of the item;
- work load to which the item is subjected;
- current cost of the item including installation, freight and insurance charges where applicable.

Conclusion

It was concluded that the recoverable amount (N137,764,764,425) exceeded the carrying amount (72,321.095,215). As a result of this analysis, no impairment charge has been recognised by Management.

24. Other intangible assets

Reconciliation of intangible assets - Group

	Computer software N'000	OPL, exploration and evaluation N'000	Exploration & evaluation expenditure N'000	Total N'000
Cost				
At 1 January, 2019	258,170	5,075,818	4,136,056	9,470,044
Additions	55,880	-	895,236	951,116
At 31 December, 2019	314,050	5,075,818	5,031,292	10,421,160
Additions	12,443	-	-	12,443
At 31 December, 2020	326,493	5,075,818	5,031,292	10,433,603
Amortisation and impairment				
At 1 January, 2019	(163,995)	-	-	(163,995)
Amortisation	(23,075)	-	-	(23,075)
At 31 December, 2019	(187,070)	-	-	(187,070)
Amortisation	(24,593)	-	-	(24,593)
At 31 December, 2020	(211,663)	-	-	(211,663)
Carrying amount				
At 31 December, 2019	**126,980**	**5,075,818**	**5,031,292**	**10,234,090**
At 31 December, 2020	**114,830**	**5,075,818**	**5,031,292**	**10,221,940**

Reconciliation of intangible assets - Company

	Computer software N'000	Oil prospecting license (OPL) N'000	Total N'000
Cost			
At 1 January, 2019	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2019	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2020	12,966	5,075,818	5,088,784
Amortisation and impairment			
At 1 January, 2019	(12,966)	-	(12,966)
Amortisation	-	-	-
At 31 December, 2019	(12,966)	-	(12,966)
Amortisation	-	-	-
At 31 December, 2020	(12,966)	-	(12,966)
Carrying amount			
At 31 December, 2019	**-**	**5,075,818**	**5,075,818**
At 31 December, 2020	**-**	**5,075,818**	**5,075,818**

Other information

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.

25. Investment in financial assets

Investments held by the group which are measured at fair value, excluding debt instruments measured at fair value through other comprehensive income are as follows:

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Equity investments at fair value through other comprehensive income	4,175,603	3,450,970	4,175,603	3,450,970
Equity investments at fair value through other comprehensive income:				
Listed shares	4,175,603	3,450,970	4,175,603	3,450,970
	4,175,603	**3,450,970**	**4,175,603**	**3,450,970**
Split between non-current and current portions				
Non-current assets	**4,175,603**	**3,450,970**	**4,175,603**	**3,450,970**

The specific investments which are measured at fair value through other comprehensive income are as follows:

Investments held at reporting date
Group and Company

	2020	2020	2019	2019
	Fair value	Dividends received	Fair value	Dividends received
Opening balance	3,450,970	421,250	3,716,514	369,137
Fair value gain/(loss) on investment in equity instruments	724,633	-	(265,544)	-
Total	**4,175,603**	**421,250**	**3,450,970**	**369,137**

Investments held at reporting date - Company

	2020	2020	2019	2019
	Fair value	Dividends received	Fair value	Dividends received
Opening balance	3,450,970	421,250	3,716,514	369,137
Fair value gain/(loss) on investment in equity instruments	724,633	-	(265,544)	-
Total	**4,175,603**	**421,250**	**3,450,970**	**369,137**

26. Borrowings

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Held at amortised cost				
Term loan	82,979,922	77,831,407	40,760,508	17,511,194
Bonds	4,485,756	9,229,921	-	-
Bank overdraft	-	3,604,342	-	1,609,002
$215 million acquisition loan	31,654,305	23,190,472	-	-
	119,119,983	**113,856,142**	**40,760,508**	**19,120,196**

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.

Financial liabilities: Interest-bearing loans and borrowings

	Group		Company	
Interest-bearing loans and borrowings	**2020 N'000**	**2019 N'000**	**2020 N'000**	**2019 N'000**
N17 billion consolidated term loan	17,106,183	16,933,199	17,106,183	16,933,199
Other term loans	23,654,325	-	23,654,325	-
Bank overdrafts	-	1,609,002	-	1,609,002
N8.8 billion term loan	-	577,995	-	577,995
$215 million acquisition loan	22,734,653	23,190,472	-	-
Term loan	33,347,416	37,083,330	-	-
Bank overdraft	1,304,572	2,132,312	-	-
2 billion bank loan	2,056,219	1,995,340	-	-
N5 billion loan	193,817	4,711,541	-	-
Short term loan	62,835	3,547,568	-	-
$5 million loan	2,181,126	1,849,600	-	-
$2 million loan	966,497	751,969	-	-
$1 million loan	459,950	366,066	-	-
$5 million loan	-	-	-	-
N300 million loan	302,979	-	-	-
N1 billion loan	1,133,065	1,009,634	-	-
N10 billion 7-year bond	4,485,756	6,205,202	-	-
N9.758 billion 5-year bond	-	3,024,719	-	-
N200 million loan	205,335	-	-	-
N10 billion loan	8,925,255	8,868,193	-	-
Total interest-bearing loans and borrowings	**119,119,983**	**113,856,142**	**40,760,508**	**19,120,196**
Total current interest-bearing loans and borrowings	**15,917,655**	**21,633,309**	**6,688,079**	**577,995**
Total non-current interest-bearing loans and borrowings	**103,202,328**	**92,222,833**	**34,072,429**	**18,542,201**

	Group		Company	
	2020 N'000	**2019 N'000**	**2020 N'000**	**2019 N'000**
As at 1 January	113,856,142	111,547,827	19,120,196	25,318,491
Additions	62,164,565	77,703,596	25,680,834	-
Effective interest	14,889,299	16,270,086	3,291,716	3,882,601
Principal repayments	(60,199,546)	(82,427,991)	(4,040,522)	(6,198,295)
Interest repayments	(13,494,962)	(9,620,857)	(3,291,716)	(3,882,601)
Exchange (gain)/loss	1,904,485	383,481	-	-
31 December	**119,119,983**	**113,856,142**	**40,760,508**	**19,120,196**

Qualitative description of interest bearing loans and borrowing

Term loan
These represent term loans with a average tenor of 10 years and an avegarge interest rate of 11%.

Bank overdrafts
The bank overdrafts are secured by a portion of the Group's asset

Short-term loan

Short-term loan represents a rolling 90 day tenor with an average interest rate of 11%.

N10 billion 7-year bond
N10 billion 7-year 16%. The purpose of the bond is for the upgrade and refurbishment of Transcorp Hilton Abuja

N9.785 billion 5-year bond
N9.785 billion 5-year bond has a fixed rate of 15.5%. The purpose of the bond is for the upgrade and refurbisment of Transcorp Hilton Abuja. This bond has been fully redeemed in December 2020.

N10 billion loan
N10 billion term loan with a tenor of 7 years and 24 months moratorium and at interest rate of 8%.

N5 billion loan
N5 billion loan has a tenor of 4 years and 12 months moratorium with an interest rate of 12%

$5 million loan
$5 million interest free loan from Hilton Worldwide Manage Limited with a tenor of 8 years including 2 year moratorium and repayable in equal monthly instalments.

$2 million loan
$2 million short term loan with rolling 180 days tenor and interest rate of 13.5%.

$1 million loan
$1 million term loan with with 365 days tenor and interest rate of 10%.

N1 billion loan
N1 billion term loan with with 365 days tenor and interest rate of 12.25%.

N17 billion amortising consolidated term loan
N17 billion amortising consolidated term loan with a tenor of ten years with 12 months moratorium and interest rate of 11%;

$215 million acquisition loan
The Group obtained a loan of $215 million on 19 August 2013 for the purpose of acquiring 100% interest in Ughelli Power Plc. The balance on the loan was restructured during the year to a $60 million facility repayable in 10 years with a floating interest rate of 90 days LIBOR + 6.5%

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:

	Carrying amount		Fair value	
Group Financial liabilities	**2020 N'000**	**2019 N'000**	**2020 N'000**	**2019 N'000**
Interest-bearing loans and borrowings	119,119,983	113,856,142	121,640,548	114,617,580

	Carrying amount		Fair value	
Group Financial liabilities	**2020 N'000**	**2019 N'000**	**2020 N'000**	**2019 N'000**
Interest-bearing loans and borrowings	40,760,508	19,120,196	39,782,256	18,646,305

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 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.

27. Deposit for investment

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Investment in Afam	27,453,129	-	-	-

Transcorp Consortium emerged the core investor for the 100% acquisition of the 966MW installed capacity Afam GenCo (Afam Power Plc and Afam Three Fast Power Limited) at an acquisition cost of N105.3bn. Transcorp, through its subsidiary (Trans Afam Power Ltd) on 5 November 2020 officially took ownership of the Afam GenCo following a handover ceremony hosted by the Federal Government of Nigeria. The investment in Afam of N27.45bn represents cost incurred to date by Trans Afam Power Ltd towards the acquisition of the power plant.

28. Inventories

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Finished goods	194,732	146,038	-	-
Engineering spares	3,862,227	4,032,451	-	-
Guest supplies	40,423	139,566	-	-
Fuel	260,496	120,941	-	-
	4,357,878	**4,438,996**	**-**	**-**

There was no write-down of inventories to net realisable value during the year.

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to N1.910 billion (2019: N2.703 billion).

29. Trade and other receivables

Receivables from third-party customers	94,656,479	93,735,392	-	-
Due from related companies and other receivables	2,963,457	3,830,406	16,762,336	14,870,062
	97,619,936	**97,565,798**	**16,762,336**	**14,870,062**

29.1 Receivables from third-party customers

Trade receivables	100,872,794	95,990,969	-	-
Allowances for expected credit losses	(6,216,315)	(2,255,577)	-	-
	94,656,479	**93,735,392**	**-**	**-**

29.2 Due from related companies and other receivables

Due from related companies and other receivables	3,530,543	4,397,492	20,178,652	18,476,560
Allowances for expected credit losses	(567,086)	(567,086)	(3,416,316)	(3,606,498)
	2,963,457	**3,830,406**	**16,762,336**	**14,870,062**

29.3 Total net trade and other receivables

Total trade and other receivables	104,403,337	100,388,461	20,178,652	18,476,560
Allowance on expected credit losses	(6,783,401)	(2,822,663)	(3,416,316)	(3,606,498)
	97,619,936	**97,565,798**	**16,762,336**	**14,870,062**

29.4 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 37.

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.

Group	**2020**	**2020**	**2019**	**2019**
	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:				
Less than 30 days past due: 4.0% (2019: 0.8%)	5,915,556	100,290	15,121,646	204,955
30 - 60 days: 3.1% (2019: 1.4%)	6,573,909	147,923	12,484,549	286,224
61 - 90 days: 6.7% (2019: 2.6%)	4,973,118	168,977	3,908,462	92,813
More than 90 days: 2.6% (2019: 5.8%)	83,410,209	5,799,125	64,476,312	1,671,585
Total	**100,872,792**	**6,216,315**	**95,990,969**	**2,255,577**

29.5 Reconciliation of loss allowances

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

	Group		**Company**	
	2020	**2019**	**2020**	**2019**
	N'000	**N'000**	**N'000**	**N'000**
Opening balance in accordance with IFRS 9 As at 1 January	2,255,577	3,764,960	-	-
Provision for expected credit losses	3,960,738	405,826	-	-
Write-off	-	(1,915,209)	-	-
Closing balance	**6,216,315**	**2,255,577**	**-**	**-**

30. Prepayments and other assets

Prepayment	598,476	423,994	60,083	25,581
Other assets	499,715	421,950	-	-
	1,098,191	845,944	60,083	25,581
Current	1,061,316	720,513	23,208	13,331
Non-current	36,875	125,431	36,875	12,250
	1,098,191	**845,944**	**60,083**	**25,581**

31. Cash and cash equivalents

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Cash and cash equivalents consist of:				
Cash on hand	12,984	14,835	102	102
Bank balances	3,213,283	3,205,900	629,659	13,856
Short-term deposits	543,074	1,727,116	542,852	544,639
Allowance for expected credit losses	-	(5,898)	-	(5,898)
	3,769,341	**4,941,953**	**1,172,613**	**552,699**

32. Issued capital and reserves

Authorised 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

33. Share premium

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Premium arising on issue of equity shares	6,249,871	6,249,871	6,249,871	6,249,871

34. Distributions made and proposed

Cash dividends on ordinary shares declared and paid:				
Dividend	406,480	1,219,440	406,480	1,219,440

Cash dividend of 1 kobo per ordinary share was declared in 2019 (2018: 3 kobo). The dividend declared was approved during the Company's AGM and paid in 2020.

35. Deferred income

At 1 January	1,281,976	-	-	-
Received during the year	277,047	1,452,830	-	-
Released to the statement of profit or loss	(253,488)	(170,854)	-	-
	1,305,535	1,281,976	-	-
Current	252,796	208,442	-	-
Non-current	1,052,739	1,073,534	-	-
	1,305,535	**1,281,976**	**-**	**-**

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 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.

36. Contract liabilities

	Group		Company	
	2020	2019	2020	2019
	N'000	N'000	N'000	N'000
Summary of contract liabilities				
Short-term advances for hospitality services	189,118	32,327	-	-
Key money from Hilton	2,427,035	2,585,042	-	-
	2,616,153	**2,617,369**	**-**	**-**
Reconciliation of contract liabilities				
Opening balance	2,617,369	2,903,675	-	-
Deferred during the year	156,754	-	-	-
Recognised as revenue during the year	(157,970)	(286,306)	-	-
	2,616,153	**2,617,369**	**-**	**-**
Split between non-current and current portions				
Non-current liabilities	2,445,163	2,617,369	-	-
Current liabilities	170,990	-	-	-
	2,616,153	**2,617,369**	**-**	**-**

37. Trade and other payables

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Financial instruments:				
Trade payables	64,852,650	53,070,797	-	-
Due to related companies and other payables	6,239,905	1,874,999	8,438,875	1,874,999
Accrued liabilities	5,016,864	16,197,290	1,171,838	1,813,637
Unclaimed dividend	918,624	862,462	918,624	862,462
Dividend payable	2,582,674	2,474,314	-	-
	79,610,717	**74,479,862**	**10,529,337**	**4,551,098**
Non-financial instruments:				
Advanced deposits	152,033	128,780	-	-
VAT	429,568	179,528	72,396	72,393
	581,601	**308,308**	**72,396**	**72,393**
Total Trade and other payables	**80,192,318**	**74,788,170**	**10,601,733**	**4,623,491**

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 40.

Exposure to liquidity risk
Refer to note 7 Financial instruments and financial risk management for details of liquidity risk exposure and management.

38. Deposit for shares

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Deposit for shares	12,935,000	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.

39. 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.

40. 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.

	Group		Company	
	2020 N'000	2019 N'000	2020 N'000	2019 N'000
Related party balances				
Amount owed to related parties				
Transcorp Power Limited	-	-	5,459,414	-
Teragro Commodities Limited	-	-	-	-
Transcorp OPL 281 Limited	-	-	-	-
Transcorp Hotels Plc	-	-	-	-
Transcorp Hotels Calabar Limited	-	-	-	-
	-	**-**	**5,459,414**	**-**
Amount owed by related parties Transcorp				
Power Limited	-	-	-	2,227,256
Teragro Commodities Limited	-	-	1,758,067	2,103,152
Transcorp OPL 281 Limited	-	-	4,333,418	3,175,609
Transcorp Hotels Plc	-	-	8,007,598	4,100,509
Transcorp Hotels Calabar Limited	-	-	24,182	19,958
Trans Afam Power Ltd	-	-	603,129	-
Transcorp Energy Limited	-	-	3,995,168	3,995,168
	-	**-**	**18,721,562**	**15,621,652**

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 to Directors				
Salaries and other short-term employee benefits	508,439	564,779	227,628	275,064
Defined contributions	14,635	15,270	5,167	10,133
Fees and allowances	50,094	40,100	13,200	10,700
	573,168	**620,149**	**245,995**	**295,897**
Amount paid to the highest paid Director (excluding pensioncontributions)	90,000	100,210	90,000	100,210
Chairman's emoluments				
Fees	1,200	1,500	1,200	1,500
Benefits in kind	64,878	64,878	64,878	64,878
	66,078	**66,378**	**66,078**	**66,378**

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	
	2020	**2019**	**2020**	**2019**
Less than N10,000,000	17	14	-	-
Over N10,000,000	11	10	8	7
	28	**24**	**8**	**7**

41. 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.

COVID – 19 Disclosures

The global outbreak of the Corona virus disease (COVID-19) in 2020 negatively impacted the world economy, including Nigeria. In response to the outbreak, the Federal Government of Nigeria, state governments and health authorities issued regulations, directives andguidelines aimed at curbing the spread of the virus and disease. Transnational Corporation of Nigeria Plc (Transcorp) continues to manage the impact of the pandemic through excellent execution of pro-active contingency and business continuity plans as well as full compliance with local regulations, directives, and guidelines.

Transcorp's revenue is generated mostly from two key sectors; Power, which contributes about 70% of the Group's Revenue; and Hospitality, which contributes about 30% of the Group's Revenue. Stated below are the impacts of COVID-19 Pandemic on these business units.

Transcorp Power Limited is in the business of power generation, which is classified as essential service. As a result of this, the company and its staff were exempted from the restriction of movement associated with the lockdown both at the federal and state government levels. Accordingly, the PPE of the Plant are running at scheduled capacity level while the company's inventories are in active use. The company continues to receive payments of its invoices under the Federal Government's N600b Payment Assurance Facility. In addition, payments are made to suppliers and lenders as at when due. Based on management's assessments, Transcorp Power Ltd.'s operations are not materially affected by the negative impact of the COVID-19 pandemic.

As Nigeria witnessed increase in confirmed cases there were closure of airports, cancellation of flights and official lockdown of the FCT bythe Federal Government to ensure the effective combat of the virus. All these negatively impacted the hospitality sector, including Transcorp Hotels Plc. Transcorp Hotel closed the year 2020 with revenue of N10.2 billion against N20.4 billion recorded in 2019. In 2020, the Hotel implemented strategic initiatives, including:

- Introduction of Hilton CleanStay Programme, aimed at delivering safe and socially responsible event solutions.
- Prioritization of stakeholder engagement
- Launching of new business lines.
- Containment of cost and workforce optimizations

These proactive strategies were used to minimize the impact of the pandemic on the hotel's performance and has put the company on a steady recovery path. With the ease of lockdown, we have seen significant pick-up in occupancy and improvement in our business segments, with some of our outlets opened and fully operational. The company's management continues to implement several precautionary measures to ensure the safety and security of all its guests and team members against COVID-19 virus. We also continue to explore opportunities the pandemic presents in order to maximize our operational performance.

Consolidated and Separate Value Added Statement

	2020 N'000	2020 %	2019 N'000	2019 %
Group				
Value Added				
Value added by operating activities				
Revenue	75,270,921		76,345,549	
Bought - in materials and services	(51,003,835)		(50,598,462)	
Other operating income	3,225,287		1,118,217	
Net foreign exchange gain/(loss)	(630,408)		487,207	
	26,861,965	**98**	**27,352,511**	**98**
Value added by investing activities				
Investment income	415,418		675,394	
	415,418	2	675,394	2
Total Value Added	**27,277,383**	**100**	**28,027,905**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	2,134,067		2,367,850	
	2,134,067	8	2,367,850	8
To Pay Providers of Capital				
Finance costs	16,793,784		15,249,208	
	16,793,784	62	15,249,208	54
To Pay Government				
Income tax	607,153		(651,743)	
	607,153	**2**	**(651,743)**	**(2)**
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation, amortisation and impairments	6,740,941		2,513,223	
Deferred tax	(2,790,670)		4,844,303	
	3,950,271	**14**	**7,357,526**	**26**
Value retained				
Retained profit	(862,036)		1,548,727	
Non-controlling interest	4,654,144		2,156,337	
	3,792,108	14	3,705,064	14
Total Value Distributed	**27,277,383**	**100**	**28,027,905**	**100**

Consolidated and Separate Value Added Statement

	2020 N'000	2020 %	2019 N'000	2019 %
Company				
Value Added				
Value added by operating activities				
Revenue	2,725,533		3,173,773	
Bought - in materials and services	(898,396)		(1,367,747)	
Other operating income	3,053,642		1,514,144	
	4,880,779	81	3,320,170	65
Value added by investing activities				
Investment income	1,163,714		1,822,032	
	1,163,714	19	1,822,032	35
Total Value Added	**6,044,493**	**100**	**5,142,202**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	223,239		264,165	
	223,239	4	264,165	5
To Pay Providers of Capital				
Finance costs	3,291,716		3,882,601	
	3,291,716	**54**	**3,882,601**	**76**
To Pay Government				
Income tax	278,043		506,467	
	278,043	**5**	**506,467**	**10**
To be retained in the business for expansion and future wealth creation:				
Value reinvested				
Depreciation, amortisation and impairments	(136,865)		(245,965)	
	(136,865)	(2)	(245,965)	(5)
Value retained				
Retained profit	2,388,360		734,934	
	2,388,360	**40**	**734,934**	**14**
Total Value Distributed	**6,044,493**	**100**	**5,142,202**	**100**

Consolidated and Separate Five Year Financial Summary

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Group					
Consolidated and Separate Statement of Financial Position					
Assets					
Non-current assets	231,386,794	205,465,248	204,543,332	191,432,812	170,942,327
Current assets	106,808,471	107,667,260	92,596,463	94,089,492	61,218,404
Total assets	**338,195,265**	**313,132,508**	**297,139,795**	**285,522,304**	**232,160,731**
Liabilities					
Non-current liabilities	125,984,032	106,225,396	66,761,186	85,158,998	82,512,366
Current liabilities	97,801,850	98,168,720	125,838,864	104,655,509	63,199,768
Total liabilities	**223,785,882**	**204,394,116**	**192,600,050**	**189,814,507**	**145,712,134**
Equity					
Share capital	26,573,867	26,573,867	26,573,867	26,573,867	26,573,867
Other reserves	1,982,031	1,257,398	1,522,942	2,777,781	(360,481)
Retained earnings	38,283,220	39,199,021	38,869,734	31,961,979	27,207,214
Non-controlling interest	47,570,265	41,708,106	37,573,202	34,394,170	33,027,997
Total equity	**114,409,383**	**108,738,392**	**104,539,745**	**95,707,797**	**86,448,597**
Total equity and liabilities	**338,195,265**	**313,132,508**	**297,139,795**	**285,522,304**	**232,160,731**

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

Revenue	75,270,921	76,345,549	104,162,785	80,284,959	59,424,619
Gross profit	32,969,695	35,357,316	104,162,785	80,284,959	59,424,619
Profit (loss) before taxation	**1,608,591**	**7,897,624**	**22,402,087**	**12,305,547**	**(5,928,348)**
Taxation	**2,183,517**	**(4,192,560)**	**(1,775,420)**	**(1,698,271)**	**4,801,350**
Profit (loss) for the year	**3,792,108**	**3,705,064**	**20,626,667**	**10,607,276**	**(1,126,998)**

Consolidated and Separate Five Year Financial Summary

	2020 N'000	2019 N'000	2018 N'000	2017 N'000	2016 N'000
Company					
Consolidated and Separate Statement of Financial Position					
Assets					
Non-current assets	72,586,782	44,794,683	38,330,899	39,301,997	36,541,782
Current assets	17,958,157	15,436,092	27,294,875	23,800,774	21,371,921
Total assets	**90,544,939**	**60,230,775**	**65,625,774**	**63,102,771**	**57,913,703**
Liabilities					
Non-current liabilities	34,072,429	18,542,201	13,242,511	11,470,290	8,231,283
Current liabilities	17,508,337	5,430,913	15,375,553	16,025,335	18,736,921
Total liabilities	**51,580,766**	**23,973,115**	**28,618,064**	**27,495,625**	**26,968,204**
Equity					
Share capital	26,573,867	26,573,867	26,573,867	26,573,867	26,573,867
Other reserves	2,093,711	1,369,078	1,634,622	2,889,461	97,018
Retained earnings	10,296,595	8,314,716	8,799,221	6,143,818	4,274,614
Total equity	**38,964,173**	**36,257,660**	**37,007,710**	**35,607,146**	**30,945,499**
Total equity and liabilities	**90,544,939**	**60,230,775**	**65,625,774**	**63,102,771**	**57,913,703**
Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income					
Revenue	2,725,533	3,173,773	8,899,967	5,121,992	2,537,628
Profit (loss) before taxation	2,666,403	1,241,401	5,705,517	2,567,737	(439,925)
Taxation	(278,043)	(506,467)	(1,094,518)	(698,533)	(409,168)
Profit (loss) for the year	**2,388,360**	**734,934**	**4,610,999**	**1,869,204**	**(849,093)**
Retained income (loss) for the year	**2,388,360**	**734,934**	**4,610,999**	**1,869,204**	**(849,093)**

05

Shareholders' Information

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting ("AGM") of Transnational Corporation of Nigeria Plc ("the Company") is scheduled to hold on Monday, April 26, 2021, 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, 2020, together with the Reports of the Directors, Auditors and Audit Committee thereon;
2. To declare a dividend;
3. To approve the appointment of Mrs. Foluke Abdulrazaq as a Director;
4. To re-elect the following Directors retiring by rotation:

4.1 Emmanuel Nnorom; and

4.2 Toyin Sanni.

5 To authorise the Directors to fix the remuneration of the Auditors for the 2021 financial year;

6 To disclose the remuneration of managers of the company;

7 To elect members of the Statutory Audit Committee.

Dated this 2nd day of April 2021.

BY ORDER OF THE BOARD

Mr. Chike Anikwe
Ag. Group Company Secretary
FRC/2017/NBA/00000016059

NOTES

1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES
The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Federal Government prohibited the gathering of more than 50 people while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

2. 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 either at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos or via email at cxc@africaprudential.com 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.transcorpnigeria.com.

3. ATTENDANCE BY PROXY
In line with CAC Guidelines, attendance of the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

1. Mr. Tony O. Elumelu, CON
2. Mrs. Owen Omogiafo
3. Mr. Chike Anikwe
4. Mr. John Isesele
5. Mr. Matthew Esonanjor
6. Ms. Judith Rapu
7. Mrs. Bisi Bakare

4. STAMPING OF PROXY
The Company has made arrangements at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. LIVE STREAMING OF AGM
The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at www.transcorpnigeria.com

6. DIVIDEND
If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by 27th April 2021, to the shareholders whose names appear in the Company's Register of Members at the close of business on 15th April 2021.

7. CLOSURE OF REGISTER
The Register of Members of the Company will be closed from 16th April 2021 to 20th April 2021 (both dates inclusive) for the purpose of dividend payment and updating the register.

8. NOMINATION TO THE AUDIT COMMITTEE
In accordance with Section 404(6) of the Companies and Allied Matters Act 2020, 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. Such notice of nominations should be sent via email to info@transcorpnigeria.com for the attention of the Company Secretary. The Financial Reporting Council's Nigeria Code of Corporate Governance provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements.

9. 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.

10. 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, or via email at cxc@africaprudential.com to lay claim.

11. PROFILES OF DIRECTORS FOR RE-ELECTION
The profiles of Mr. Emmanuel Nnorom and Mrs. Toyin Sanni who will be retiring by rotation and will be presented for re-election are amongst the profiles of Directors that are provided in the 2020 Annual Report and on the Company's website at www.transcorpnigeria.com.

12. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE
In order to improve the delivery of our Annual Report, we have inserted a detachable form in the 2020 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 2020 Annual Report is available on the Company's website at www.transcorpnigeria.com.

13. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS
Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company on or before Thursday, April 22, 2021.

transcorp

PROXY FORM

FIFTEENTH ANNUAL GENERAL MEETING OF TRANSNATIONAL CORPORATION OF NIGERIA PLC TO BE HELD ON MONDAY, APRIL 26TH, 2021 AT TRANSCORP HILTON ABUJA, 1 AGUIYI IRONSI STREET, MAITAMA, ABUJA, F.C.T AT 10.00 AM.

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 Fifteenth Annual General Meeting of the Company to be held on Wednesday Monday, April 26, 2021, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T, 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. This proxy form has been prepared to enable you to exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cxc@africaprudential.com 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. However, in compliance with the CAC Guidelines for conduct of AGM by Proxy, the Company has made arrangements at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To receive the Audited Financial Statements of the Company for the year ended December 31, 2020, 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. Foluke Abdulrazaq as a Director of the Company.			
4.1 To re-elect Mr. Emmanuel Nnorom, a Director retiring by rotation.			
4.2 To re-elect Mrs. Toyin Sanni, a Director retiring by rotation.			
5. To authorize the Directors to fix the remuneration of the Auditors for the 2021 financial year.			
6. To disclose the remuneration of managers of the company.			
7. To elect members of the Audit Committee.			

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.

TRANSNATIONAL CORPORATION OF NIGERIA PLC

Fifteenth 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 Monday, April 26, 2021, at, Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T 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

Africa Prudential
RC 649007

SHARE PORTAL 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 D D M M Y Y Y Y

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. CAPPA 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
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41. UACN PLC
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49. UNITED CAPITAL WEALTH FOR WOMEN FUND
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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

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RC 649007

Affix Recent Passport Photograph

USE GUM ONLY
NO STAPLE PINS

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

E-DIVIDEND MANDATE ACTIVATION FORM

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

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

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

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐ Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

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)*

Note: This service costs **N150.00** per form exclusive of VAT.

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. CAPPA 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. LIVINGTRUST 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 ☐
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RC 649007

E-SERVICE/DATA UPDATE FORM

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

1. *SURNAME/COMPANY NAME

2. *FIRST NAME

3. OTHER NAME

4. *GENDER M F

5. E-MAIL

6. ALTERNATE E-MAIL

7. *DATE OF BIRTH D D M M Y Y Y Y

8. *MOBILE (1) (2)

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 D D M M Y Y Y Y

19. BANK VERIFICATION NO. (BVN)

20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN) C

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

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Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ______ **"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: ______
Surname *First Name* *Middle Name*

ADDRESS: ______

GSM NUMBER: ______ **E-MAIL:** ______

GENDER: Male ☐ Female ☐ **DATE OF BIRTH:** D D M M Y Y Y Y **CSCS INVESTOR'S A/C NO.:** ______

CLEARING HOUSE NUMBER(CHN): C ______ **REGISTRAR'S ID NO (RIN):** ______

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ______ **BANK:** ______

BANK A/C NUMBER: ______
Must be NUBAN

BVN: ______
Must be confirmed by bank

AGE OF A/C: *DD* *MM* *YYYY*
Must be confirmed by bank

Authorized Signature (1) *(and stamp of Stockbroker)*

Authorized Signature (2) *(and stamp of Stockbroker)*

Shareholder's Signature & Date

Shareholder's Signature & Date (2) *(if applicable)*

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ____ day of ______, 20____

Name: ______

Signature: ______

Joint (2) (if applicable): ______

Joint (3) (if applicable): ______

Company Seal

In the Presence of:

Name: ______ **GSM NO:** ______

Address: ______ **Signature:** ______

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of ______ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I 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.

Authorised Signatory (1): ______ **Authorised Signatory (2):** ______

Company Seal

www.transcorpnigeria.com