transcorp

2021 Annual Report & Financial Statements

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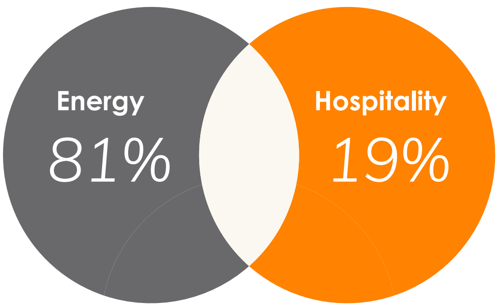
Group Overview

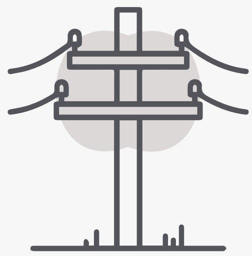
Incorporated on November 16, 2004, Transnational Corporation of Nigeria Plc ("Transcorp") is a leading diversified conglomerate focused on acquiring and managing strategic businesses that create long-term shareholder value and positive socio-economic impact. Transcorp currently has business interests 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, Aura by Transcorp Hotels, Transcorp Power's 972-megawatt gas-fired power plant at Ughelli, Delta State, the recently acquired Transafam 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; Transafam Power Limited; Transcorp OPL 281 Nigeria Limited and Transcorp Energy Limited.

Transcorp is quoted on the Nigerian Stock Exchange and has about 280,898 Shareholders.



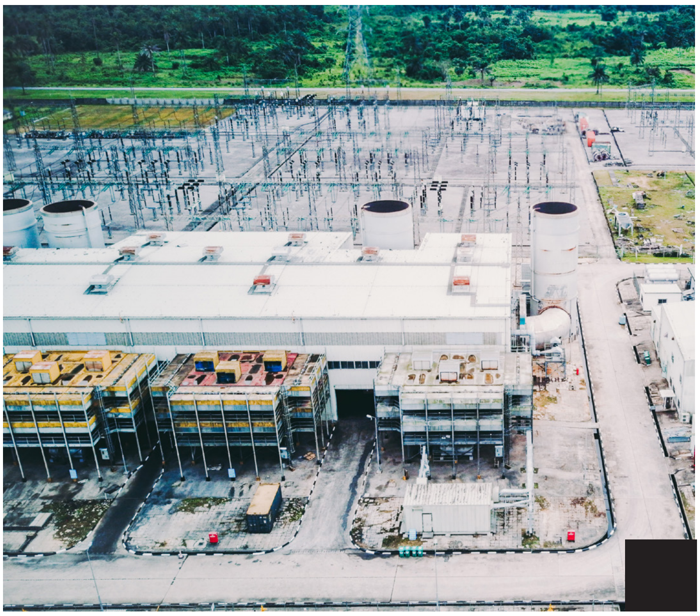
Percentage of Revenue Generation from Business sectors



POWER

HOSPITALITY

OIL & GAS



Results at a Glance

Group	31-Dec-21 N'mn	31-Dec-20 N'mn (Restated)	Inc/ (Dec) %
Revenue	111,219	75,270	48
Cost of Sales	56,440	42,301	33
Gross Profit	54,779	32,969	66
Total Operating Expenses	18,888	17,578	7
Profit /(Loss) before tax	27,999	1,608	1,641
Profit /(Loss) after tax	**23,831**	**3,792**	**528**
Non-Current Assets	327,741	231,386	42
Current Assets	88,259	87,824	(17)
Total Assets	416,000	319,211	23
Share Capital	20,324	20,324	0
Shareholders' fund	146,292	95,425	53
Basic Earnings per share	34	(2)	(1,800)

Company	31-Dec-21 N'mn	31-Dec-20 N'mn(Restated)	Inc/ (Dec) %
Revenue	5,127	2,726	88
Cost of Sales	-	-	-
Gross Profit	5,127	2,726	88
Total Operating Expenses	1,693	1,187	43
Profit /(Loss) before tax	4,022	2,666	51
Profit /(Loss) after tax	**3,434**	**2,388**	**44**
Non-Current Assets	53,932	72,587	(26)
Current Assets	35,773	17,958	99
Total Assets	89,705	90,545	(1)
Share Capital	20,324	20,324	0
Shareholders' fund	41,704	38,964	7
Basic Earnings per share	8	6	33

Our
Businesses

Transcorp Hotels Plc

Transcorp Hotels Plc. is the hospitality subsidiary of Transnational Corporation of Nigeria Plc and owners of the 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 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 our key locations.

Over
800
ROOMS

Facts About Our Hospitality Sector

01

Leaders from all 54 African countries have stayed at the Transcorp Hilton Hotel.

02

Listed on the Nigerian Stock Exchange, Transcorp Hotels Plc has over 670 rooms at Transcorp Hilton Abuja and 132 at Transcorp Hotels Calabar.

03

During the heat of the Covid-19 pandemic, Transcorp Hotels plc in a display of innovation lauched the first Drive-through Cinema experience in Nigeria

04

Transcorp Hilton Abuja recently underwent a $100 million renovation project.

05

Transcorp Hotels Plc. emerged Nigeria's best Diversity, Equity and Inclusion (DEI) compliant company.

06

Transcorp Hotels was recognised as an outstanding Hotel and Hospitality Company at the "Nigeria at 60" Jubilee Special Awards Ceremony.

07

Transcorp Hilton recently won 4 awards - Africa and Nigeria's leading business hotel (for the seventh consecutive year), Nigeria's leading Hotel and Nigeria's Leading Hotel Suite (The Presidential Suite) at the 28th annual World Travel Awards and won World Travel Award 2016- and Seven Stars Award 2016 in the past.

08

Transcorp Hotels Calabar won the Best City Hotel in Nigeria at the 2021 International Travel Awards and received a special recognition award from Cross Rivers State Safety Commission as 'Best Safety Compliant Hotel' in 2021.

Transcorp Power Ltd

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. The asset was acquired in 2013 under the first Power sector privatisation bid round by the Federal Government of Nigeria. At point of takeover in November 2013, the plant was generating 160MW and within 6 months, under the Management of Transcorp, it had more than doubled that. It is on record that Transcorp Power surpassed its generation target of 670MW well before the 5-year timeline, given to GenCos to meet their respective minimum generation target.

Transcorp Power has consistently been one of the top power generating companies (Gencos) in Nigeria in terms of electricity generated and wheeled unto the national grid. The Company has also remained the stabilizer amongst the power generating companies by the provision of black start, free governor and a number of other ancillary services.

In line with our Corporate Philosophy, the Company maintains a very good relationship with its Host Communities. Its school, Transcorp Power Staff School, which provides education from nursery to secondary level, is a pride of the environment and has consistently churned out outstanding results.

Transafam **Power Ltd**

Transafam 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 the brand new Afam Three Fast Power Plant owned by Afam Three Fast Power Limited (ATFPL). The total installed capacity of the plant is 966MW.

With the acquisition of Afam Genco, Transcorp Group increased its installed capacity to nearly 2000MW and continues to work toward recovering more of the installed capacity. This acquisition also came with many advantages including closeness to gas supply, sufficient evaluation capacity and brand new 240 MW 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.

Facts About Our Power Sector

Award

Transcorp won the International Standards Excellence Awards for Best World Class Energy/Power Brand of 2021 for our phenomenal contributions to Nigeria's power sector through Transcorp Power and Transafam Power Limited.

ISO Certified

Transcorp Power Limited was the first power generating company to be awarded 3 ISO Certification for Quality, Environment and Occupational Safety Certifications

FORWARD

Improving Nigeria

The Transcorp power sector is driving an integrated energy strategy to improve the state of electricity in Nigeria.

1

2

3

4

5

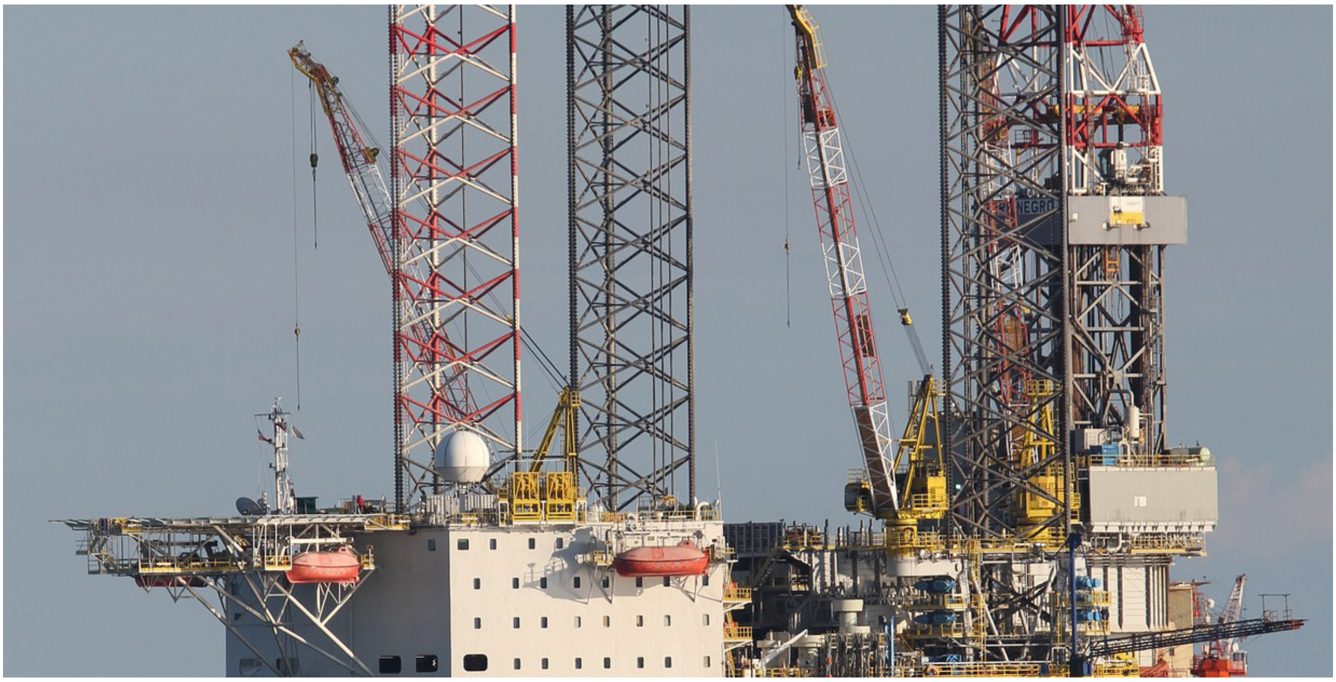
1MW in Context

One Megawatts of electricity can power 1000 bungalows.

2000MW Capacity

Transcorp Power currently has the capacity to produce just under 2000MW of electricity. 966MW from our Afam plant and 972MW from TPL.

Transcorp OPL 281 Ltd

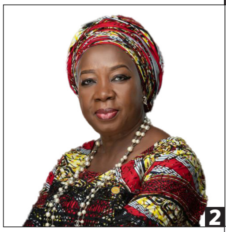


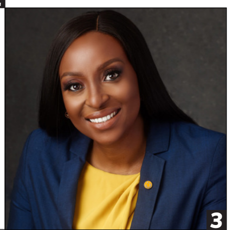
The Oil and Gas activities of Transcorp are carried out by its fully owned subsidiaries, Transcorp Energy Limited and Transcorp OPL 281 Nigeria Limited.

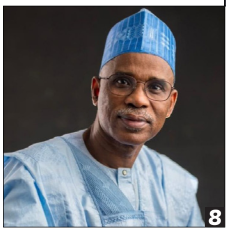
The Company continued its push towards developing OPL 281 oil block and fulfilling work obligations under the Production Sharing Contract (PSC) entered with Nigerian National Petroleum Corporation (NNPC).

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).

Board of Directors







01 ***Mr. Tony O. Elumelu, CON***
Chairman

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

03 ***Mrs. Owen Omogiafo***
President/GCEO

04 ***Mr. Emmanuel N. Nnorom***
Non-Executive Director

05 ***Dr. Stanley Inye Lawson***
Non-Executive Director

06 ***Mrs. Toyin F. Sanni***
Non-Executive Director

07 ***Mr. Victor Famuyibo***
Independent Non-Executive Director

08 ***Mallam Ahmadu Sambo***
Independent Non-Executive Director

09 ***Mr. Oliver Andrews***
Independent Non-Executive Director

Officers and Professional Advisers

Group Company Secretary
Mrs. Kofo Olokun-Olawoyin

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

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

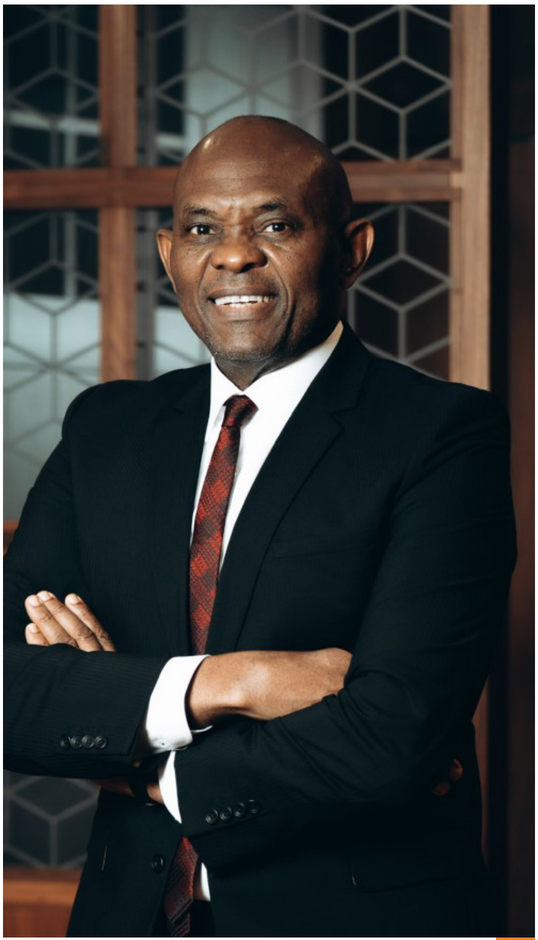
Bankers
United Bank for Africa Plc
57, Marina Street, Lagos Island.
Lagos.

First Bank of Nigeria Limited
Samuel Asabia House
35, Marina Street, Lagos Island
Lagos

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

Investors' Relations Officer
Joseph Adegunwa
P: +234 814 565 2652
Email: joseph.adegunwa@transcorpnigeria.com

Directors' **Profiles**



Tony O. Elumelu, CON
Chairman

Tony O. Elumelu is one of Africa's leading investors and philanthropists.
He is the Founder and Chairman of Heirs Holdings, his 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 (UBA), which operates in 20 countries across Africa, the United Kingdom, France, the UAE 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 25 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 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 just 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.

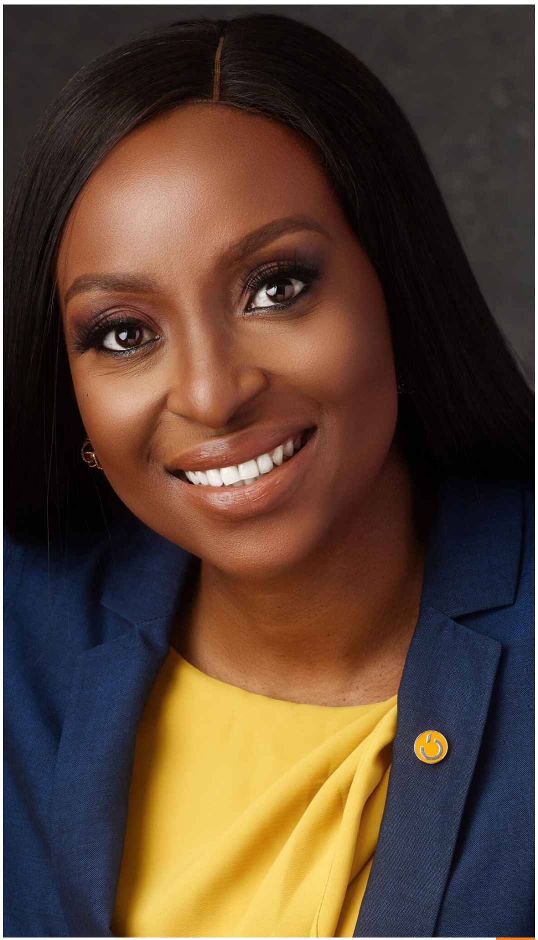
Tony sits on a number of public and social sector boards, including the World Economic Forum Community of Chairmen and the Global Leadership Council of UNICEF's Generation Unlimited. In 2020, in recognition of his business leadership and economic empowerment of young African entrepreneurs, he was named 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 Abdurazaq brings considerable experience in both the public and private sectors. 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. Mrs Abdurazaq has held, over a period of thirty 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.

She also served on the Board of Julius Berger Plc from 1997 to 2000 and the Group Board of United Bank of Africa Plc from 2008 to 2020, when she retired as the Chairperson of the Board Credit Committee. Mrs. Abdulrazaq holds an M.Sc degree in Banking and Finance from the University of Ibadan. She is also an alumnus of the Harvard University, Boston USA and founder of the prestigious Bridge House College in Ikoyi, an independent private sixth form co-educational institution.



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 equally 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 has also served as 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. She was listed among the 100 Most Influential African Women in 2020 by the Avance Media Group. She was also recognised as one of the 2020 Top CEOs and received the Next Bulls Award in Nigeria by Business Day Media and the Nigerian Stock Exchange respectively. In 2021, Owen was recognised by Signature100 and listed among the corporate leaders leading the African Decade. Other notable awards include, 2021 Trailblazer Award from SAWIL, Global Leadership's 100 Globally Inspiring Nigerian Women Award, VIP Woman of Impact Award, and the Youngest CEO of a top Company listed on the Nigerian Stock Exchange.

Emmanuel N. Nnorom
Non-Executive Director

Mr. Emmanuel Nnorom is the Chief Executive Officer of Heirs Holdings Group and sits on several boards including Transcorp Hotels Plc, where he is the chairman.

Prior to his appointment, Emmanuel was President/CEO of Transnational Corporation of Nigeria Plc. He has served in other management roles such as President/Chief Operating Officer (COO) of Heirs Holdings Group, and COO of United Bank for Africa where he oversaw the bank's operations outside Nigeria and executed corporate strategy in 18 African countries.

Emmanuel is a Chartered Accountant with 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 Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Bankers of Nigeria (CIBN).

Stanley I. Lawson
Non-Executive Director

Dr Stanley Lawson is a multi-disciplinary Professional with over 40 years post-graduation experience in the Banking & Finance industry as well as the Oil and Gas industry.

B.Sc. Geology, M.Sc. Petroleum Geology, MBA Finance and a PhD in Business Administration. He commenced his career as a Resident Geologist/Drilling Engineer after which he proceeded to the Banking/Finance industry where he spent over 17 years holding several top management positions cutting across Operations, Treasury, Credit and Marketing, Risk Management, and finally exiting the banking industry as the Managing Director/Chief Executive Officer of one of the Nigerian Banks. Thereafter, returned to the Oil and gas industry as the CFO (GED Finance and Accounts) of the Nigerian National Petroleum Corporation (NNPC) overseeing the Funding, budgeting, and cash flow planning of the NNPC in particular and the Oil industry in general. Has expertise in Alternative Funding, Cash Flow Management and accounting for Crude and Products flow. Presently, runs his own consulting firm which provides specialized financial advisory services to companies in the oil and gas industry.

Attended several international leadership and management courses including amongst others the Program for Executives of the Carnegie Mellon University Pittsburgh, the Program for Executives in the Oil and Gas industry of the COX School of Business, Southern Methodist University Dallas; Program for Corporate Leaders of the Harvard Business School Boston, and the High Impact Leadership Executive Program at the Columbia University Graduate School of Business. He Is also, an Alumnus of the Institute for Management Development (IMD)

A member of several boards including: Financial Advisory and Investment Consultants Limited; Elcrest E&P Nig. Ltd; Transcorp Nigeria Ltd; HH Oil and Gas Ltd. He also previously served on the Board of Brass LNG Ltd and until most recently, a member of the board of The Central Bank of Nigeria as well as a member of The Monetary Policy Committee.

Dr Stanley Lawson also serves as the Chairman of Transafam Power Limited.

Toyin Sanni
Non-Executive Director

Mrs. Toyin F. Sanni is Founder /Executive Chairman at Emerging Africa Group as well as Board Chair at Layer3 Limited. She joined the Board of Transcorp in 2018. She is the Founder and Chairperson of Women In Finance Nigeria and UK Chapter, a platform for advocacy, development, and networking of women in the financial sector and other financial roles in Nigeria.

Mrs. Sanni has over thirty-three years of experience as a prominent Investment Banker, Public Personality & Speaker. She derives satisfaction from grooming future leaders, she leverages networks across markets and has extensive experience working on leading transactions to achieve growth objectives and proffering capital solutions for financing & investing challenges of African governments, businesses & individuals.

Her prior roles include Group Chief Executive Officer, United Capital Plc; CEO, UBA Trustees & UBA Global Investor Services; CEO, Cornerstone Trustees & AGM; First Trustees (now FBNQuest Trustees), President, Association of Investment Advisers (CIIA), President, Investment Advisers and Portfolio Managers (IAPM), and President, Association of Corporate Trustees. Toyin has a Master's degree in law, Toyin holds professional qualifications as a Fellow of the Chartered Institute of Stockbrokers, Fellow Chartered Institute of Secretaries and Administrators, and Member, Chartered Institute of Securities and Investments, United Kingdom.

Mrs. Toyin has also won numerous awards. In 2017, she was declared the All African BusinessWoman of the year 2017 by CNBC Africa, & Nigeria's CEO of the Year by Pearl Awards. In 2020 and 2021, she was named one of Africa's Top Influencers on LinkedIn. She served on numerous boards and committees.

Victor Famuyibo
Independent Non-Executive Director

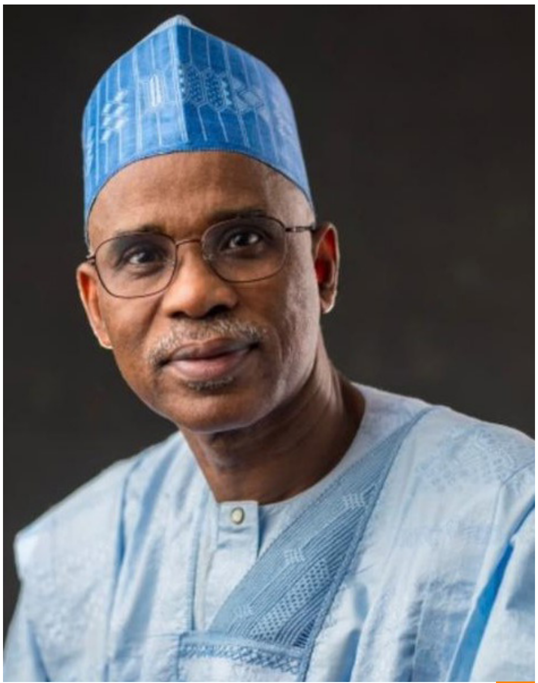
Victor Famuyibo holds a B.Sc. in Sociology (1979) from the University of Ibadan. He obtained a Master's degree in Public Administration (1985) and first degree in Law (LLB), both from the University of Lagos. He was called to the Nigerian Bar in 1996.

Mr Famuyibo is currently Managing Partner at Nevitt Consulting. He sits on the Board of AgroMall Discovery & Extension Ltd and U-Connect Human Resources Ltd.

He was for 10 years Executive Director on the Board of Nigerian Breweries with responsibility for Human Resources. Earlier, Victor was on cross-posting at Heineken Corporate HQ Amsterdam where he held the position of Regional HR Director for Africa & the Middle East. He retired from Nigerian Breweries / Heineken in January 2018, following a distinguished career of 32 years in the Company.

Post-retirement, he was appointed by the Honourable Minister of Labour & Employment to serve on the Industrial Arbitration Panel as a Federal Arbitrator. He resigned from this role voluntarily in June 2019.

Mr Famuyibo is Fellow of the Chartered Institute of Personnel Management and had served as National President/ Chairman of the Governing Council from 2013 to 2015.
He was a Council member of the United Bank for Africa (UBA) Academy until December 2021; Fellow Institute of Directors (IoD); Chairman Human Capital Development Committee and Exco Member of the Institute of Directors (IoD)



Mallam Ahmadu Sambo
Independent Non-Executive Director

Ahmadu Sambo holds a B.Sc. in Business Management from University of Maiduguri, Borno State, Nigeria, and an MBA in Accounting & Finance from Southern New Hampshire University, Manchester, New Hampshire, USA.

With over 30 years of work experience gained from both the public and private sectors in Nigeria and the USA, respectively, he retired statutorily in September 2018 as Group General Manager in charge of Group Finance for the Nigerian National Petroleum Corporation (NNPC). Prior to this, he was Managing Director of three NNPC Subsidiaries between 2011 and 2016. In recognition of his meritorious service, he received numerous awards, including First Place Ministerial Award for outstanding Staff Performance.

He is the Founder and President, Kessel Capital Advisers Limited, a financial advisory services firm incorporated in 2020 to provide world-class financing solutions to business enterprises in Nigeria. He is also the Co-founder and President, Sambo Okolo & Company, LLC, CPAs, a full-service Certified Public Accounting (CPA) firm, after working for a Boston-based CPA firm for over seven years. The Boston area Accounting Firm has been in business since 1994.

Mallam Sambo is licensed to practice as a Certified Public Accountant by the Commonwealth of Massachusetts Board of Accountancy and the State of New Hampshire Board of Accountancy. He is a member of the Massachusetts Society of Certified Public Accountants and the American Institute of Certified Public Accountants (AICPA).

Oliver Andrews
Independent Non-Executive Director

Oliver Andrews has over 35 years of experience in infrastructure development, investing, public-private partnerships, and strategic advisory work such as advising and partnering with governments, regional and international corporations, and development finance institutions. During his career, in differing senior roles, he has overseen the investment of approximately US$10bn and originated US$100bn of infrastructure deals across the African continent on behalf of investee institutions.

Mr. Andrews was formerly Executive Director and Chief Investment Officer at the Africa Finance Corporation ("AFC"), one of the biggest investors in infrastructure solutions in Africa, where he oversaw the growth of assets under management from US$1bn to over US$8.4bn including significant investments in the energy, and natural resources sector. In addition, Mr. Andrews pioneered the project development asset class at AFC and led the strategic formulation and business development, portfolio management, and execution of investments.

He previously served as CEO of TCI Infrastructure and the Gambia Ports Authority. He is the Founder and Chairman of TOCAM Capital Limited, a transaction advisory firm that specializes in project development and fund-raising advisory services for infrastructure projects across Africa. Mr. Andrews was also previously a director of a company listed on the TSX Venture Exchange and a current chairman of a listed company on the London Stock Exchange.

Mr. Andrews' board and leadership experience also include roles as pioneer Chairman of Africa Infrastructure Development Association (AFIDA), a former member of the Global Climate Finance Lab, and former Chair of the Africa Centre. He has also been a strategic adviser to several governments as a member of the Africa & Middle East and Commonwealth Infrastructure Technical Advisory Groups.

Mr. Andrews holds an MBA from the University of Wales, is an Electrical and Electronic Engineer, a Chartered Marketer, and also a Fellow of the Chartered Institute of Transport and Logistics.

CEOs of
Subsidiaries

Christopher Ezeafulukwe
MD/CEO
Transcorp Power Limited

Christopher Ezeafulukwe is the Managing Director/Chief Executive Officer of Transcorp Power Limited. Prior to his appointment, he was an Executive Director of Transnational Corporation of Nigeria, where he was responsible for Business Development and Legal. He was also a Non-Executive Director of Transcorp Power Limited. With over 19 years working as an executive level professional, Christopher has extensive experience in business development and management, legal, transaction advisory and support services, as well as company secretarial and related practices.

An alumnus of Lagos Business School, Lagos and IESE Business School, Barcelona, Christopher 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 of the Nigerian Bar Association (NBA), Institute of Chartered Secretaries & Administrators of Nigeria (ICSAN), Association of International Petroleum Negotiators (AIPN) and Institute of Credit Administration.

Dupe Olusola
MD/CEO
Transcorp Hotels Plc

Mrs. Dupe Olusola is the Managing Director/CEO of Transcorp Hotels Plc. where she oversees the Company's strategic objectives through its subsidiaries; Transcorp Hilton Abuja, Transcorp Hotels Calabar and its digital hospitality platform, Aura by Transcorp Hotels.

Prior to joining Transcorp Hotels, Dupe was the Group Head, Marketing for United Bank for Africa Plc. In UBA, she also served as the Group Head Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS).

Before joining UBA, Dupe had a distinguished career as the Managing Director/CEO of Teragro Commodities Limited (an indigenous agricultural company) whereshe 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.

Dupe is a thoroughbred professional with over 2 decades experience spanning various sectors. She studied Economics at the University of Leicester, United Kingdom and obtained her M.Sc. in Development Economics from the University of Kent. She is also Prince 2, PMP and Investor Management Certified (all UK).

Peter Ikenga
MD/CEO
Transcorp Energy Limited

Mr. Peter Ikenga is the Managing Director & Chief Executive Officer of Transcorp Energy and spearheads the upstream petroleum development objectives of Transcorp Energy Limited. 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 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 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 Ozuode
MD/CEO
Transafam Power Limited

Vincent Ozoude is the MD/CEO Transafam Power Limited. He was appointed on February 1st 2021 to lead the newly acquired 966MW Power plant asset located in Afam, Oyigbo Rivers State. He will lead the team to bring in the transformation of the Transafam Power asset into a notable leading power generation company in Nigeria and West Africa.

Prior to this role, Vincent was the Services Sales Director covering entire Sub-Saharan Africa for General Electric Power Generation Services portfolio, a role he managed for two years. Vincent comes with 15 years work experience in General Electric International Operations with vast experience in the various business segments such services, operations, sales and commercial segments of the business.

Vincent started his GE career as a Field Engineer to Project Manager and at some point, a member of the Field Engineering advisory board for Africa, India & Middle East while in the services arm of the business. He later moved on to operations arm to become the Sub Sahara Africa Repair Service Manager and later moved to the Sales - Commercial arm where he rose to become the Sub-Saharan Africa Sales Director covering nearly 300 Gas Turbine installed base fleet across numerous GE customers in the region.

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 Everday 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 a M.Eng in Chemical Engineering from the same Institution. He is a member of Nigeria Society of Engineer (NSE), Council for the Regulations 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 equally 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.

Joseph Adegunwa
Group Chief Finance Officer

Joseph Adegunwa is the Group Chief Finance Officer of Transnational Corporation of Nigeria Plc.

Joseph, who spearheads the finance team, is an astute finance professional with over 14 years of experience in Finance Management. He holds a Degree in Accounting from Lagos State University. He is a fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and a member of the Chartered Institute of Management Accountants (CIMA).

Joseph is a CIMA/ICAN qualified CFO, adept at creating robust financial management and financial governance capability for rapidly growing organizations to protect cash flow and profitability.Prior to joining Transcorp, Joseph served as the Group Chief Finance Officer of ARM Holding Company. While at ARM, he built a strong financial strategy including budgeting, tax planning, asset optimization and preparation of financial models for strategic corporate finance transactions, thereby growing ARM's consolidation of TAM subsidiaries comprising six companies.

Kofo Olokun-Olawoyin
Group Head Legal and Company Secretary

Kofo Olokun-Olawoyin is the Group Head Legal and Company Secretary of Transnational Corporation of Nigeria Plc .

Kofo has over 14 years of active legal practice and experience covering Cross-Border Financing Transactions, Company Secretarial Services, Energy, Telecommunications, Corporate Finance, Banking and Finance, Project Finance, Public-Private Partnerships and Legal Advisory Services.
Prior to joining Transcorp, she worked at Eko Electricity Distribution Plc (Eko DisCo) where she led the Legal Advisory and Contracts Unit of the Legal Department. She also served in two of Nigeria's top-tier Commercial Law Firms – Banwo & Ighodalo and Paul Usoro & Co.

Kofo Olokun-Olawoyin obtained an LL.B. degree from the University of Lagos and possesses a Masters' Degree in European Union Business and Taxation Law from the University de Cergy-Pontoise in France and another Masters' Degree in International Commercial Law from the University of Dundee. She is a Fellow of the Institute of the Chartered Governance Institute, United Kingdom, and the Institute of Credit Administration Nigeria.

Gabriel Nkanga
Director of Resources

Gabriel Nkanga is a seasoned human resources Professional with over 20 years of experience. His background includes work in the oil and gas and telecommunications industries. He has exhibited success in driving Change Management, Employee Engagement, designing and implementing learning and development frameworks, Talent Management, Resourcing, and Performance Management over the years.

He holds a first degree in Communication Arts from the University of Uyo as well as an MBA from the Enugu State Business School and is a member of the Chartered Institute of Personnel Management (CIPM).

Before joining Transcorp, Gabriel worked as an HR Business Partner for Airtel Nigeria Limited, serving the Lagos, West, and South Regions.

Chinweugo Nwafor
Group Head, Internal Audit

Chinweugo Nwafor is a trained Governance, Risk and Compliance (GRC) Consultant and a seasoned audit professional with over 14 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, insurance, hospitality and energy 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, process and control reviews, corporate governance, contract compliance, internal audit, and quality assurance services to clients in varied industrial sectors.

Prior to her appointment at Transcorp, Chinweugo served as the Lead Auditor of ARM Investment Managers Plc and subsequently as Head, Internal Audit and Control for ARM Life Plc where she was responsible for overseeing the activities of the respective asset management and life insurance businesses while driving overall compliance with standard operating and regulatory procedures.

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.

Oluwaseun Oridota
Chief Information & Technology Officer

Oluwaseun Oridota is an experienced IT, Telecoms and Digital Banking/Mobile Money services Manager with over fifteen years hands-on experience in Information Technology, Telecommunications and Mobile Financial industry. His area of expertise includes GSM Network Charging System, Integration design, Value Added Services and Mobile financial systems. He has extensive experience in Account/Operations management, Service delivery and Managed services. He is also a professionally trained and certified Project Manager with experience in managing projects in multi-location and cross functional environment.

Oluwaseun holds a first degree in Metallurgical and Materials Engineering from OAU, Ile-Ife, and a master's in systems engineering from Unilag. He is also a Cisco Certified Network Administrator (CCNA), a Microsoft Certified Professional (MCP), and a Member, Project Management Professional from the Project Management Institute (PMI).

Prior to joining Transcorp, he was Head West Africa Operations/ Executive Director for Comviva Technologies Nigeria.

Adeshola Shittu
Head, Marketing and Corporate Communication

Adeshola is the Group Head of Marketing and Corporate Communication for Transnational Corporation of Nigeria. Sh is an accomplished Marketing & Communications professional with over 12 years of hands-on experience in the Financial Services Industry. She has a strong background in strategic marketing, digital marketing, and corporate communications. She has also worked as a Project Manager in multi-location and cross-functional contexts.

Prior to to this role, Adeshola worked as the Head of Digital & Insights for Coronation. She also worked as the Head Digital Media in United Bank for Africa (UBA) where she worked on different marketing strategies and digital initiatives to transform the bank's perception and grow its customer base. Adeshola was also a member of the Marketing team at Interswitch – Verve International, where she was very instrumental in driving direct marketing and customer engagement. She has worked with other financial institution namely Keystone Bank and PR agency, Cushion the Impact, UK

Adeshola holds a Bachelor of Science in Marketing from Babcock University, a Post Graduate Diploma in Marketing from the Nigerian Institute of Marketing and an MA in Marketing Communications from the University of Westminster. She is also a Google AdWords Certified Professional.

Facts About Aura by Transcorp Hotels

01

Aura is number 4 in listed accommodation and travel locations overtaking well established local and international sites and plans to be top 3 by July 2022.

02

Aura is listed in over 20 key cities, with 3600 rooms from 700 hotels and apartments and 200 local experiences making Aura the no 1 listing for authentic local experiences in Nigeria with verified local tour guides

03

Aura is an all-in-one platform for the complete experience with unique accommodation & workspaces, great meals, memorable experiences and photography hoping to compete with world class brands like Airbnb and Booking.com soon.

04

Aura has about 5,000 registered users on both the Aura Website & Mobile platform

05

Since launch Aura has have consistently recorded at least 200,000 visitor's monthly website visitors

06

We currently serve single, family and corporate customers; covering Banks, Non-government organisations, and some international FMCGS as well as small SMEs.

07

Thanks to our robust risk management framework, we do not have any reputational issue till date

08

Users can travel with peace of mind knowing they are covered by our optional 'Personal Accident and Life Cover'

Chairman's Statement

Distinguished Shareholders,

I am delighted to present Transcorp's operating results and key achievements for the financial year ended 31 December 2021, highlighting the performance of our operating divisions and setting out our key objectives for 2022.

As Chairman, and I know this also true for our Board and management, I am acutely conscious of our Company's role as a bellwether for the Nigerian economy, our custodianship of your Company and our honour in having one of the broadest and deepest shareholder base of any company listed on the Nigerian Stoke Exchange.

The past two years have been challenging, due to the continuing impact of the COVID-19 pandemic, the resultant global recession, exchange rate volatility, inflation and a world that has been transformed by the pandemic. I hope once again that you and your loved ones continue to stay safe.

Though the difficult macroeconomic environment negatively impacted several businesses, your Company displayed resilience, innovativeness and the ability to adapt to change to overcome these challenges, as demonstrated in our impressive financial performance for the year.

As always, we remain committed to building a sustainable business and delivering value to all our stakeholders in line with our purpose of improving lives and transforming Nigeria, and, indeed, Africa.

GLOBAL ECONOMY

2021 was marked by a slow, but steady, economic recovery, following the economic downturn of the previous year. Despite the lingering COVID-19 pandemic, emergence of new variants, widespread supply-chain bottlenecks and increased inflationary pressures, the global economy rebounded in 2021, after the sharp decline in 2020.

According to the World Bank, global economic growth is estimated at 5.5% in 2021, its strongest post-recession pace in 80 years. This recovery was primarily due to rollout of massive vaccination programmes globally, governments' COVID policy responses, gradual easing of pandemic restrictions and consequent increase in consumption.

In advanced economies, high vaccination rates and sizable fiscal support have helped cushion some of the adverse economic impacts of the pandemic. However, in Emerging Markets and Developing Economies, the pace of recovery has been more difficult and we have experienced waning policy support and a tightening of financing conditions.

It is anticipated that the global recovery will continue, with the world adapting to live with the virus and monetary and fiscal policies remaining generally supportive throughout 2022. The World Bank's projection for global growth is 4.1% in 2022, as more countries start unwinding unprecedented levels of fiscal and monetary policy support.

NIGERIA ECONOMY

In 2021, the Nigerian economy continued on the post-COVID path of recovery, which started in Q4 2020. Nigeria recorded a 3.4% GDP growth in 2021, representing a welcome return to growth and the strongest growth in seven years.

The strong economic performance was led by the non-oil sector, which accounts for 93% of the country's GDP. Agriculture, manufacturing, trade, information and telecommunications and financial services sub-sectors were the notable drivers of this growth. Also, the Federal Government initiated broader expansionary policies, including spending on infrastructure, agriculture, and trade and investment to accelerate economic recovery, policies that we welcome.

The oil sector remains the country's largest foreign exchange earner, even as it contracted by 8.3% in 2021, a warning sign, given our current dependence on this critical sector. However, a turnaround is expected with the passage of the Petroleum Industry Act (PIA) in 2021. The expected improvement in the oil sector should strengthen the recovery of the entire economy, increase in government revenues and spending, and create a more liquid foreign exchange market.

The exchange rate (at the Investors' & Exporters' window) remained relatively stable for most of the year, before depreciating by 6.03% closing at N435.00/$ towards the end of 2021. Despite the Naira depreciation, Nigeria's External Reserves increased from US$35billion in 2020 to $40.5billion in 2021, thus, giving the Central Bank of Nigeria room to keep interest rates low and supportive of economic growth in the face of pressures on capital flows and exports.

The continuous disruption in food supply chain, rising transportation costs, electricity costs, and the escalating security challenges in many parts of the country, which drove food prices higher, exacerbated inflationary pressures, with the average inflation rate at 17.0% in 2021 compared to 13.2% in 2020.

Looking ahead, the 2022 outlook for the Nigerian economy is modest, with the IMF and the African Development Bank estimating a 2.8% and 2.64% growth, respectively and policy makers and the private sector need to work closely together, if we are truly going to realise our country's potential.

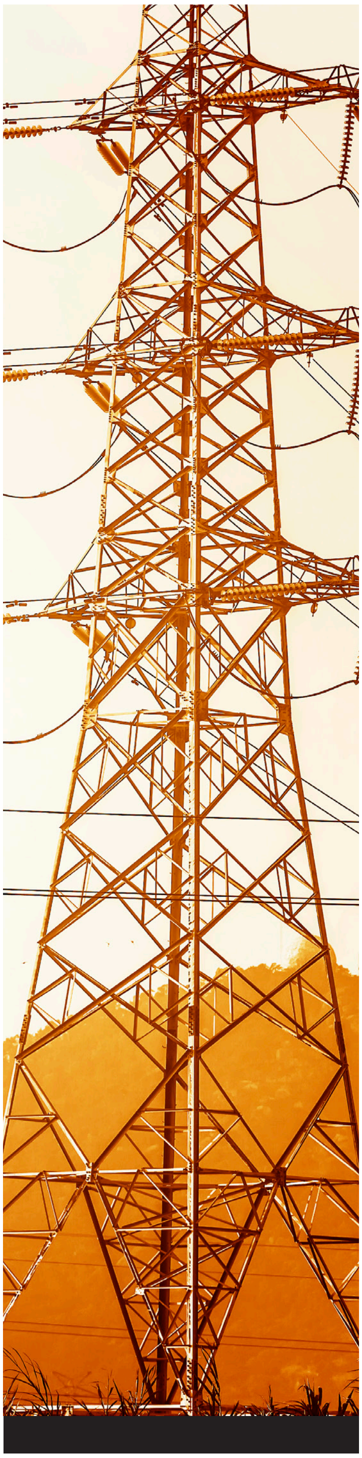
STAYING AHEAD IN A DIFFICULT LANDSCAPE

Transcorp's 2021 financial performance represents a recovery from the effects of the pandemic on our performance in 2020, especially in our power and hospitality segments. This performance demonstrates the application of our core values – Excellence, Execution and Enterprise (the 3Es), in overcoming extra-ordinary business challenges. We made considerable progress in deepening our play in the sectors in which we operate – Power, Hospitality and Oil & Gas – and in expanding into new businesses.

I present below our performance in these sectors.

Our Group Chairman flanked left to right by Engr (Dr.) Seun Fadare, CTO Transcorp Power Ltd; Chris Ezeafulukwe MD/CEO, Transcorp Power Ltd; Peter Ikenga MD/CEO Transcorp Energy Ltd and Engr. Vincent Ozoude, MD/CEO Transafam Power Ltd

The Power
Sector



The Nigerian power sector is critical to the development of the economy and is a major catalyst for industrialisation. The sector is plagued with infrastructure problems across the value chain, from generation to transmission and distribution, metering and revenue collection. Despite the challenges in the sector, I am delighted to state that we were able to increase our existing generating capacity and operate optimally throughout the year.

We steadily recovered our installed capacity in the year, improving our generating capacity. In March 2021, through the successful administrative handover of Afam Power Plc, we increased our installed capacity from the 972MW with Transcorp Power Ltd Ughelli, to nearly 2,000MW. In addition, through minimum capital intervention, we were able to increase the available generating capacity of Afam Power Plc from 99MW to 120MW, as well as improve actual generation in that plant from c.40MW to c.105MW. It is also important to note that during the year, Transcorp Power Ltd increased its generating capacity from 390MW to 470MW in May 2021, consequently bringing the Company's combined power available generating capacity to 590MW.

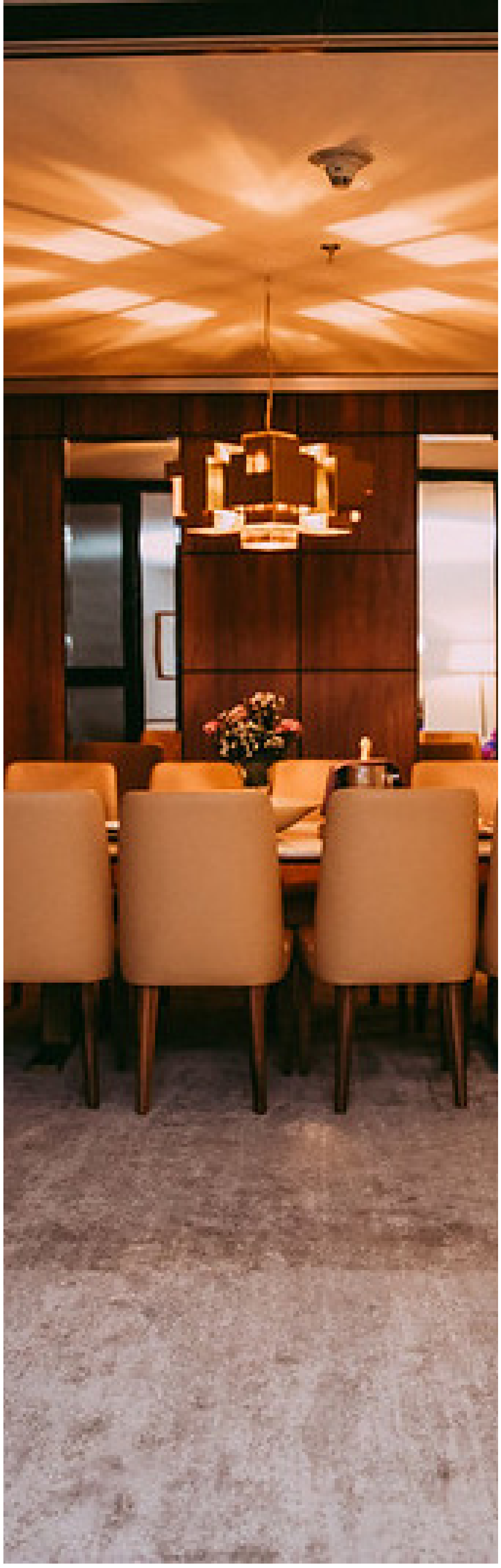
We continued engagements with our existing gas suppliers and explored gas supply from other producers to diversify our supply base, thereby ensuring adequate gas supply to our power plants in Ughelli and Afam and achieving optimum utilization of their capacity despite general gas supply issues at various points of the year. We are equally pursuing our long-term integrated energy strategy to secure our gas requirements through our OPL 281 asset and other related assets.

The Federal Government through various interventions continues to provide liquidity in the power sector. This is estimated at N1.3 billion aimed at easing liquidity challenges and improving infrastructure in the Nigerian electricity supply industry. In September 2021, the Nigerian Electricity Regulatory Commission (NERC) introduced the Service Based Tariff which increased cost of electricity by 50%. This enabled the government to end subsidies in the electricity sector and boost liquidity.

Transcorp Power Limited, leveraging its stranded capacity and membership of the West African Power Pool, continued the international sale of electricity in the West Africa regional electricity market. We will continue to explore opportunities that would enable us to optimise more of our stranded capacity for the benefit of stakeholders.

Despite the challenges in the power sector, your Company remains committed to its long-term strategy of creating value and delivering a robust power supply to in the African continent, noting our commitment to power Africa.

The Hospitality **Sector**



COVID-19 hit the hospitality industry badly in 2020. We commenced 2021 with cautious optimism and determined to succeed in line with our group ethos. I am glad to announce that we were able to successfully nurture our hospitality business through the pandemic amidst uncertainties and changing customer preferences, seeing a strong recovery in 2021.

Transcorp Hotels Plc's commitment to execution and excellence differentiated it and helped it outperform competitors in the industry. In a year when many businesses were trying to recover, the company achieved commendable growth, introducing new business lines, and strengthening existing ones.

In line with the company's asset optimisation and asset-light strategy, Transcorp Hotels Plc launched "Workspace by Transcorp Hotels" – a purpose-built shared working facility situated in Transcorp Hilton Abuja, and "Aura by Transcorp" – a dynamic digital hospitality platform for unique accommodation, great food, and memorable experiences in April and July respectively.

Transcorp Hotels' priority in 2021 was the continued implementation of strategies and protocols aimed at growing our business and promoting the safety of our employees, guests, and stakeholders. The company 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 normal.

All of these contributed immensely to the remarkable recovery during the year. The hotel's occupancy, which started at 55% in January, grew steadily to an all-time high of 80% in the month of December 2021.

In keeping with our unwavering commitment to providing outstanding service and ensuring excellence remains the cornerstone of our offerings, Transcorp Hotels and Transcorp Hilton Abuja were once again acknowledged locally and internationally as outstanding and world-class Hotel and Hospitality businesses, including at the "Nigeria at 60" Jubilee Special Awards Ceremony.

Similarly, Transcorp Hotels Calabar also emerged as the winner of the Best City Hotel in Nigeria at the 2021 International Travel Awards. The hotel also received a special recognition award from Cross Rivers State Safety Commission as 'Best Safety Compliant Hotel 2021.

Highlights Of 2021
Financial Performance

We see good performance across all sectors and I commend management, as I know it has not been easy.

Transcorp Power Limited's revenue improved by 14% from N65.1bn to N74.3bn, accounting for around 70% of the total Group Revenue. Profit Before Tax increased by 92%, from N12bn to N23.1bn. This excellent return again validated our investment and commitment to this critical sector.

Our investment in Trans Afam Power limited was also consolidated in the Group financials in 2021, accounting for 15% of revenue and 25% of the Group's total assets as at December 2021.

The hospitality business returned to profitability, which enhanced further the Group and Company's performance during the year under review.

Gross Earnings for the Group increased to N111.2 billion in 2021 from N75.3 billion in 2020. Gross earnings for the Company almost doubled to N5.13 billion in 2021 from N2.7 billion in 2020.

Profit Before Tax for the Group increased to N28 billion in 2021, from N1.6 billion in 2020. Profit Before Tax for the Company increased to N4.02 billion in 2021 from N2.7 billion in 2020.

Profit After Tax for the Group increased to N23.8 billion in 2021 from N3.8 billion in 2020. Profit After Tax for the Company increased to N3.4 billion in 2021 from N2.4 billion in 2020.

The Group's total assets grew to N416 billion in 2021 from N319.2 billion in 2020 while the Company's total asset declined to N89.7 billion from N90.5 billion in 2021.

Shareholders, I am sure you will share with me the considerable satisfaction of knowing that our Company has continued to surpass its past performance, despite macroeconomic difficulties. Our priority going into the next financial year would be to continue optimising our existing assets and pursuing growth opportunities. This is important to ensure sustainable growth in an ever-changing operating landscape.

ESG

At the core of the Company's purpose is a commitment to building socially responsible and impactful businesses in key strategic economic sectors that serve its diverse stakeholders. Transcorp, as a responsible corporate citizen, has consistently embraced and sustained this corporate culture and social commitment by driving the integration of Environmental, Social and Governance (ESG) criteria in all aspects of the business' dealings and investment decisions.

Through each of our businesses, we worked to reduce any negative impact (in terms of water, air, noise, and light pollution) from our business operations on our host communities. We also upgraded our Vocational Skill Training and Entrepreneur Empowerment program from the social perspective. We funded various vocational skills acquisition programmes following the signing of a new Memorandum of Understanding (MOU) with the respective host communities where our power businesses are located.

As an organisation, we remained unwavering in our commitment to sustainable growth, ensuring consistency in the creation of an efficiently functioning organisation driven by a mission to delivering long-term value.

Towards Excellent Execution in 2022

As uncertainty around inflation and uneven recoveries dominate the economic outlook, we believe that the continued seamless execution of our strategic initiatives remains fundamental to our success as a company. This approach is critical in insulating ourselves from future systemic challenges. We will pursue the agenda below in 2022:

Transcorp Power Limited

We have a strategy to sustainably recover and increase our available capacity to 670MW with the return of GT15 and 16 within the first and second quarter respectively. We will engage additional and existing gas suppliers to ensure uninterrupted and reliable gas supply at our plant. We will improve operational efficiency and automation of our processes to ensure maximum utilization of resources and delivery of strategic objectives. Our workforce's training and development will be key for achieving our objectives as well.

We plan to increase our customer base through the eligible buyer and seller scheme and further optimise our West African Power Pool membership. We will equally continue our engagement with the Nigerian Bulk Electricity Trading Company (NBET) and Federal Government in finding a practical solution to the legacy debt owed to Transcorp Power Limited.

Transcorp Hotels Plc

While our positioning in the hospitality industry is to be cautiously optimistic about business performance over the next 12 months, our focus at Transcorp Hotels Plc is to enhance our innovativeness, adaptability, and agility, thereby delivering dynamic and memorable experiences, while being proactive and positioned to take advantage of valuable opportunities our socio-economic environment presents.

Strengthening strategic relationships: Our Group Chairman (middle) flanked (L - R) by the Group CEO, Owen Omogiafo, UK Prime Minister's Special Envoy for Girls' Education & Trade Envoy, Helen Grant, Mr. Ben Llewelyn-Jones OBE, British Deputy High Commissioner, Nigeria and others

Part of our key strategy is to continue deepening and expanding our market share while continuously providing the highest service standards. In this light, we will prioritise completing the 3,000 capacity Transcorp events centre in Abuja, which will be purpose-built and feature refined and functional amenities that will become suitable venue to host medium to large scale events such as trade fairs, concerts, and weddings. We know we are often the gateway to Nigeria, and we are striving to ensure that visitors from Nigeria and abroad, experience Nigeria at her best.

In addition, we will drive key investments in hospitality tech to improve our competitive advantage in the industry with focus on optimising Aura by Transcorp's platform and investing in smart hospitality to improve guest experience.

Transcorp OPL 281

Transcorp Energy will accelerate minimum work program activities to retain OPL 281 license in 2022 and achieve planned production in Q4 of 2023. We will focus on completing the Environmental Impact Assessment (EIA) and appraisal well drilling in 2022, thereby completing minimum work obligations. We will deploy a two-pronged strategy (Explore while Developing) to fast-track production on December 31, 2023.

Transafam Power Limited

We expect to ramp up available capacity from an average of 116MW to 349MW through the recovery of GT 19 and 20 by Q2, 2022, and Afam Fast Three Power later in the year. Also, utilization rate is expected to improve from 62% to 75% through operational efficiency and process automation.

Several initiatives and steps are being taken to address gas-related issues, including gas quality, quantity, and transportation. We would also continue our engagement with key stakeholders to ensure we strengthen our relationship with them, particularly the community, the Transmission Company of Nigeria (TCN), National Control Centre (NCC), Nigerian Electricity Regulatory Commission (NERC), Gas Suppliers and Nigerian Gas Company (NGC).

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 and strengthen our governance capabilities. Mr. Valentine Ozigbo and Ms. Obi Ibekwe retired from the board on April 27, 2021, and October 30, 2021, respectively.

Mallam Ahmadu Sambo and Mr. Victor Famuyibo joined the Board on April 22, 2021, while Mr. Oliver Andrews joined the Board on August 03, 2021.

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.

APPRECIATION

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

I would also like to thank the Board of Directors and Management for their devotion and invaluable contribution towards the progress of our Company.

Once again, I would like to reiterate your Company's Board and Management's commitment to continuing the significant achievements recorded. All of us know the current economic and environmental challenges, and we know they will not be solved in the short term, nonetheless, we remain focused on achieving our strategic objectives and creating long term value for our esteemed shareholders.

Thank you.

Tony O. Elumelu, CON
Chairman, Board of Directors

President /GCEO's Report

Distinguished Shareholders, Directors, Ladies, and Gentlemen, I am pleased to welcome you to the 16th Annual General Meeting of your company, Transnational Corporation of Nigeria Plc ("Transcorp" or "Company"), and present to you the financial and operating results of the Company for the year ended 31 December 2021.

ECONOMIC AND SECTORAL OVERVIEW

In 2021, Nigeria's economic recovery continued to gain momentum driven by the Federal Government's aggressive infrastructural drive and expansionary monetary stance. The Nigerian economy grew by 3.2% in 2021 compared to the decline of -1.92% experienced in 2020. The Non-Oil sector was largely responsible for driving economic growth, accounting for 92.8% of GDP in 2021.

The Oil sector contracted by 8.30% in 2021 compared to 8.89% in 2020. Nonetheless, there is an indication that the contribution of the oil industry to the nation's GDP will continue to rise in the coming months as oil price hovers at over $90 per barrel.

To maintain economic recovery and enable businesses to return to the path of growth, the Monetary Policy Committee (MPC) of the CBN, during the year, maintained the MPR rate at 11.5%. and the asymmetric corridor around the MPR was revised to +100/-700bps. The CBN also reduced the interest rates and granted an additional moratorium on all its subsidized intervention loan facilities, most especially those granted to the worst-affected sectors such as tourism and hospitality.

The CBN during the year merged the official and I&E windows rates and it ended the year at N435.00 to the Dollar. This has helped maintain some stability in foreign reserves which closed at US$40.5 billion in 2021, representing about 16% growth from US$35.4 billion in 2020. The increase in foreign reserves was boosted by the Eurobond issue ($4bn) and IMF disbursement ($3.35bn).
Overall, the Nigerian economy is on a recovery path. Modest growth is expected in 2022 with the IMF and ADB estimating a 2.8% and 2.64% growth, respectively driven largely by growth in services, manufacturing, and oil & gas.

OUR OPERATING ENVIRONMENT

Power

Inadequate infrastructure across the value chain, frequent grid collapse, and gas supply constraints remain a challenge to achieving uninterrupted power supply in the country. These factors affected the performance of our power business in 2021.

During the year, the national grid experienced two total and two partial grid failures. It is important to note that our Company continued to play a significant role in the restoration of the grid by providing black start services that enable other Power Generation Companies (GenCos) to kick-start generation and reconnect to the grid.

Concerning transmission, the National Control Centre (NCC) issued several dispatch instructions to cut generation due to distribution difficulties and preferential dispatch for Hydro Power Plants. This, coupled with a series of transmission infrastructure issues affected our ability to continuously evacuate generated power into the National grid during the year.

In addition, the challenge of non-utilization of load by the Power Distribution Companies (DisCos) was also a significant factor that affected our generation capacity. Given that electricity cannot be stored, to a large extent, our generation is directly determined by the level of load acceptance by the DisCos. This remains a major challenge that needs to be addressed by the Federal Government, the regulatory agencies, and the operators in the power sector.

Notwithstanding the above, our power businesses – Transcorp Power Limited and TransAfam Power Limited – were able to navigate these challenges through strategic initiatives implemented by management. Some of these initiatives include:

- Continuous engagement with our gas suppliers to ensure adequate gas supply to our power plants to enable optimum utilization of our plant capacity. We have maintained constant gas supply from our gas suppliers as a result of our current Gas Supply and Aggregation Agreement, which requires gas providers to supply a minimum of 124 mmscf to TPL on a daily basis.

- Continuous exploration of gas supply from other producers to diversify our supply base. Our long-term integrated energy strategy is to secure our gas requirements, through our OPL 281 and other related assets.
- Strong and continuous advocacy for a long-term solution to the power sector's difficulties, particularly the infrastructure deficit, through continuous power infrastructure rehabilitation projects across the country.

Noting that the Power Sector is critical to the economic development of the country and well-being of the people, the Federal Government continues to take steps towards addressing the challenges in the power sector . This include providing liquidity to Nigerian Bulk Electricity Trading Plc (NBET) to facilitate payment of invoices to the Gencos. The Service-Based Tariff approved for electricity distribution companies (Discos) and the escrowing of Discos' collections to a centrally managed account ensured some improvements by Discos towards meeting their respective minimum remittance obligations. It is noteworthy to mention that in 2021, we witnessed improved payments by NBET, as never seen before. Consequently, as at end of the year, approximately 82% of our invoices have been settled. We plan to continuously engage NBET for the settlement of our outstanding invoices.
In line with our strategic objective to be a key player in the Power Sector, following the technical handover of Afam Power Plc and Afam III Fast Power in November 2020, we executed the administrative handover on March 10, 2021, thus increasing our installed capacity from 972MW to 1,938MW. We were also able

to through minimum capital intervention to increase the available generating capacity of Afam Power Plc from 99MW to 120MW leveraging our experience and expertise from our Plant in Ughelli, Delta State. We await the completion of Afam III Fast Power by the Federal Government, to increase our available generating capacity by another 240MW. Transcorp Power Limited also increased its available capacity by 100MW with the return to service of GT18 in May 2021, thereby ending the year under review with an available capacity of 470MW compared to 370MW in 2020 .

Hospitality

Our hospitality business rebounded in 2021 following the negative impact of Covid 19 on the hotel's performance in 2020, with the easing of lockdown and other restrictions, which started in late 2020. We started the year with the priority to implement strategies and protocols aimed at promoting the safety

of employees, guests, and other stakeholders. This helped restore the confidence of our stakeholders in our facility and brought about recovery during the year.
Occupancy at the hotel improved from 55% in January to an all-time high of 80% in December 2021. Despite the security challenges that worsened during the year, we hosted numerous world leaders and dignitaries, which helped to reinforce our position as the industry leader in terms of service quality, customer satisfaction, and security. This led to the hotel returning to profitability in Q3 and Q4, 2021, and a full-year profit.

Oil and Gas
2021 was a challenging year for oil and gas producing and exporting countries including Nigeria, this was as a result of the ongoing pandemic, unstable oil supplies, and uncertainty in the volatile global oil market. The situation was further worsened by pipeline vandalism, oil theft, illegal refining, and environmental pollution.
Notwithstanding the challenges, the Nigerian Oil and Gas industry achieved significant milestones with the conclusion of the marginal field bidding rounds and the passage of the Petroleum Industry Act (PIA), the Oil and Gas Industry. The industry is now poised to attract the relevant investment needed.

The Federal Government is committed to accelerating the exploration and development of its petroleum resources. The government aims to increase crude reserves to 40 billion barrels, as well as to achieve a daily national production of 3 million bpd. In addition, the government is focused on developing the midstream sector to harness the country's gas resources for the domestic market.
As a Group we are committed to developing our Oil and Gas assets to take advantage of the opportunities that lie in the sector as well as achieve our integrated energy strategy. Currently, we are at the advanced stages of the Environmental Impact Assessment (EIA) and intend to commence the appraisal well drilling by the third quarter of 2022.

Operating Results and Financial Performance Review
The Group recorded impressive growth in 2021 despite the impact of the Covid-19 pandemic on the hospitality business and the challenging economic environment. The double-digit growth in performance demonstrates our resilience and reasserts our position as one of the leading diversified conglomerates

in Nigeria.

Revenue
Gross earnings for the Group in 2021 rose by 48% to N111.2bn compared to N75.3bn in 2020. The increase of 48% was driven by improved performance in our power business (Transcorp Power Limited's revenue grew by 14% and consolidation of TransAfam Power Limited's revenue which increased our power revenue by 17%) and over 100% growth in hospitality business' revenue.

Profit
The Group recorded PBT and PAT of N28bn and N23.8bn respectively. The PBT was 50% higher than the 2020 numbers while the PAT was 1641% over the 2020 numbers. Transcorp recorded PBT and PAT of N4.02bn and N2.67bn respectively. The PBT was 51% higher than the 2020 numbers while the PAT was 46% over the 2020 numbers. The earnings driver was an improved dividend from Transcorp Power Limited and gain on sales of THP shares during the year, which was used to reduce borrowings.

Assets
Total assets increased by 30% from N319.2 billion in December 2020 to N416 billion in FY 2021 due to the increase in PP&E (+79%) and investment in financial assets (+30%) and Cash and Cash Equivalents (+278%).

Shareholders Fund for the group was N146.3 billion, a 53% year-on-year increase relative to FY 2020's value at N95.4 billion, driven by 2021 profit and reserve on consolidating Transafam Power Limited.

Hospitality
New Business Lines and Products
Transcorp Hotels Plc is continuously looking to invest in innovative businesses or segments that improve its bottom line and shareholder returns. This is evidenced by some of the new projects that commenced in 2020 as well as the implementation of new initiatives These new businesses and segments also contribute to the company's ambition of developing the hospitality industry in Nigeria, increasing its footprint in Africa, exploring business opportunities, and creating value for its stakeholders. Some notable projects include:

Aura by Transcorp Hotels
In line with our innovative DNA, Transcorp Hotels Plc. started implementation of its Asset-light strategy with the launch of Aura by Transcorp Hotels, a digital platform for booking unique accommodation, great meals, and memorable experiences in July 2021.

Within 6 months of launch, Aura recorded an impressive 850 listings with over 3200 rooms from hotels and apartments and became top 5 ranked in verified listed accommodation and travel locations overtaking well-established local and international platforms. Aura also aggregated over 150 local travel experiences making Aura the number one platform for authentic local experiences in Nigeria with verified local tour guides. All properties and experiences were verified by 3rd party verification partners to give guests peace of mind while traveling and in December 2021 Aura started offering their corporate customers optional accident insurance cover.

The initial success of Aura gives us confidence that we can unlock the economic potential of home-sharing in Nigeria while encouraging domestic tourism. Aura by Transcorp Hotels also reaffirms our commitment to continually offer new hospitality innovations in keeping with our vision of improving lives and transforming Nigeria.

Workspace by Transcorp Hotels
Another notable business successfully launched in 2021 is the purpose-built shared working facility named 'Workspace by Transcorp Hotels'. The shared workspace enables us to tap into the new trend of remote working accelerated by covid 19 pandemic. Workspace by Transcorp Hotels caters to the needs of customers (entrepreneurs/business travelers) who desire short-term offices while enjoying several added benefits including access to some facilities at the hotel.

The first workspace is situated in Transcorp Hilton Abuja, and following its success, we are working to replicate this model across our existing properties in Lagos and Port-Harcourt.
Other new initiatives currently at advanced stages include:

Transcorp Event Centre
Noting the rise in demand for well-built events and conferencing facilities in Abuja, we are building a 3,000-banquet capacity multipurpose event centre, right in the heart of Abuja, at the Transcorp Hilton Hotel. The new Event Centre is being built on a 4,000 sqm plot of land at the hotel. The designs for the Event Centre have been approved and preliminary works have commenced. The Event Centre is expected to be completed in December 2022. Once completed, it will be the largest event centre in Abuja and ultimately position Transcorp Hilton Hotel as the premier destination for medium to large scale events such as trade fairs, concerts, weddings, conferences and religious programmes.

Upgrade of Transcorp Hotels, Calabar
Transcorp Hotels Calabar is wearing a new look as we commenced the upgrade of the rooms. We have upgraded 50 rooms and plan to continue renovations on the external fixture and fittings as well as the remaining 82 rooms. This is expected to be completed by December 2022.

The strategic investment in the hotel is to ensure that as the economic activity recovery continues, Transcorp Hotels Calabar remains well-positioned to take advantage of the opportunities, maintain its market leadership, continue to grow its revenues, and deliver superior returns to its stakeholders.

Power

Diversification of customer base
We plan to continue to leverage our membership of the West African Power Pool to better utilize our stranded capacity as well as improve revenue and liquidity for the Company, by exporting power.

As we increase our generation capacity and with the altering landscape of the power sector, we will continue to explore opportunities created by the Eligible Customer regime initiated by the Federal Government to allow the sale of power directly to certain end-users who meet the criteria set out in the governing regulation.

Proactive maintenance
To improve efficiency and sustainability across our power businesses. We have implemented a robust maintenance strategy to ensure our power assets are operating at optimal capacity. The maintenance strategy is a combination of predictive maintenance strategy and preventive maintenance strategy that will ensure all maintenance activities are efficiently scheduled and conducted at the appropriate time.

During the year, we scheduled the following turbines for maintenance - Transcorp Power Limited (GT17) and TransAfam Power Limited (GT19 and GT20) that are expected to return to service by the first half of 2022. These three turbines combined are expected to increase our available generating capacity from 590MW to 966MW in 2022 which pushes us closer to fully optimizing our power assets.

Oil & Gas

Transcorp OPL 281

Our Oil and Gas business is making significant progress with development planning for OPL 281 asset in conjunction with our concessionaire. We have successfully reevaluated the geological and petrophysical interpretation of the hydrocarbon resources in place. The completion of this activity gives us a higher degree of confidence in the field interpretation and identifies a clear pathway to quickly monetise the asset while fulfilling the minimum work obligations on the asset.

The Environmental Impact Assessment (EIA) for the field is in advanced stages with the successful completion of the wet season and dry season sampling. The OPL 281 EIA is expected to be completed and approved by the regulatory authorities by end of Q2, 2022. This will pave the way for an appraisal well drilling on the asset in Q3, 2022 and thereafter fast track full-field development activities.

I am happy to report that Transcorp has completely discharged the settlement agreement with Sacoil Holdings Limited (now Efora Energy Limited, “Efora”) to bring closure to all existing legal disputes around the OPL 281 assets with the payment $5.5m 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.

OPL 281 remains a prolific oil and gas asset that will contribute substantially to the performance of the company upon successful completion of its development.

Awards & Recognitions

Our hotel brands are individually distinctive and collectively strong. The awards and recognitions received during the year are testaments to this.

- Transcorp Hotels Plc was recognized as an outstanding Hotel and Hospitality Company at the “Nigeria at 60” Jubilee Special Awards Ceremony.
- Transcorp Hilton Abuja received awards at the 28th World Travel Awards in 4 categories, as follows:
    - Africa’s Leading Business Hotel
    - Nigeria’s Leading Business Hotel
    - Nigeria’s Leading Hotel
    - Nigeria’s Leading Hotel Suite (the Presidential Suite)
- Similarly, Transcorp Hotels Calabar also emerged as the winner of the Best City Hotel in Nigeria at the 2021 International Travel Awards. The Hotel also received a special recognition award from Cross Rivers State Safety Commission as ‘Best Safety Compliant Hotel in 2021.

At the Group level, our Company was recognised by the World Quality Alliance Group as the World Class Energy/Power Brand of the Year 2021. The award reflected our outstanding contributions to the Power sector through our power businesses, Transcorp Power Limited and Transafam Power Limited. Transcorp was also recognised as the Best Conglomerate in Impact and as the Gender Diversity Company of the Year at the Business Day Nigerian Business Leadership Awards 2021.

2022 Outlook

We will continue to work hard to strategically position the Group to take advantage of the opportunities that lie ahead. We intend to consolidate our past performance and continue to explore new business opportunities as they arise during the course of the year. We will remain resolute as we execute the following strategic priorities in 2022:

1. Ramp up existing capacity in our power businesses to take advantage of the increasing power demand with a target to achieve a combined average generating capacity of about 966MW.
2. Working with the Federal Government and all relevant parties towards the successful commissioning of Afam Three Fast Power Limited that would increase of the installed capacity of TransAfam Power Limited by 240MW

3. Optimize our excess generating capacity by entering into a bilateral off-grid captive power sale arrangement with Discos for the sale of power to their industrial customers.
4. Implement a robust maintenance plan to ensure that our power plants operate optimally and efficiently throughout the year.
5. Increase power sales across the West African regional market by taking advantage of our membership of the West African Power Pool (WAPP)
6. Optimization of our existing hospitality assets via the construction of 3,000 capacity event centre at Transcorp Hilton Abuja
7. Complete development studies and field development plan for OPL 281 and also complete drill appraisal and development well.

Conclusion

The year 2021 was rewarding and revealed the strength and tenacity of our people. Achieving our successful performance despite the uncertainty during the year is a noteworthy achievement. It entails being innovative and resilient, particularly in the challenging times that businesses are facing. It is also a delight to know that the year ended 31st December 2021, was indeed a successful year, hence, giving us the platform to go forth and do more in the years to come.

The successful performance in 2021 could not have been attained without the support of our stakeholders, shareholder, executive management team, and the employees who have given their absolute best towards ensuring the strong performance of the Company.

I also want to specially appreciate the Chairman and Board Members for their strong leadership to the Company over the past year. We look forward to an exciting 2022 as we work collectively towards consolidating, sustaining, and surpassing our 2021 performance.

Thank you.

Owen Omogiafo
President/GCEO


aura
by Transcorp Hotels

ESG & Sustainability **Report**

Transnational Corporation of Nigeria Plc (Transcorp), as a responsible corporate citizen, is dedicated and committed to the betterment of the communities in which its investments are situated and the world at large. The investment by the Company is driven by the principles of Africapitalism which involves making investment decisions focused on economic and social wealth. Africapitalism promotes the belief that businesses should aim to make a profit responsibly, investing in sectors that have the greatest potential to create positive social transformation that enhances overall quality of life.

The Company integrates Environmental, Social and Governance (ESG) criteria in all aspects of its business dealings and investment decisions. At the core of its 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.

As a leading diversified conglomerate, sensitive to the increasing importance of sustainability both to our stakeholders and the general society, sustainability has remained systemically ingrained in every action we take across our businesses.

The focus areas for the Company's sustainability initiatives include the following:

- Entrepreneurship (through the Tony Elumelu Foundation)
- Financial Inclusion
- Information and Communications Technology (ICT) & Innovation
- Community Development
- Environment
- Education & Literacy
- Infrastructure Development
- Healthcare

Transcorp has consistently embraced and sustained this corporate culture and social commitment despite the numerous challenges we face within our operating environment. The Company's core values of Execution, Enterprise & Excellence (3Es) form the foundation of who we are as an Institution and serve as a strategic support for the fulfilment of our ESG objectives driven through our 3E Impact Pillars of Entrepreneurship & Empowerment, Education, and Environment.

These foundational elements and commitment inspire our people to make positive impact in all our business dealings while shaping how we all work collaboratively with our respective stakeholders to realize value and sustained growth.

ENVIRONMENT

Guided by our Health, Safety, Security and Environment (HSSE) policy, we are committed to managing and minimizing our impact and enabling a strong environmentally conscious culture. This we achieve through the implementation of programs to safeguard the environment by proactively identifying and managing risks, applying lessons learned while seeking ways to adopt leading practices to continually improve our performance. Minimizing and managing all aspects of our environmental footprint from actively reducing our emissions, respecting the land on which we operate and engaging in practices of water conservation are all steps we take in our approach to environmental stewardship.

We also use the philosophy of continual improvement in all of our activities in terms of water, air, noise, and light pollution, decreasing any negative impact from our operations on the local population. Throughout the year under review, Transcorp, through its hospitality arm, Transcorp Hilton Abuja, remained committed to the "Water: Save Every Drop" project, which is focused on promoting water conservation throughout our value chain and making every drop count. We have also improved current methods to ensure that our operations have a constant negative impact on the environment. For instance, waste disposal in our power businesses is done in an environmentally sustainable manner, with partners ensuring correct disposal methods are used based on the type of waste generated. The hotel also cooperated with Chanja Datti on Recyclable Waste Collection and, to the extent practicable, used environmentally friendly products and services.


Hilton
100
YEARS OF
Hospitality

SOCIAL

During the year, Transcorp through its power businesses upgraded the Vocational Skill Training and Entrepreneur Empowerment program following the signing of a new Memorandum of Understanding (MOU) with its host communities. Transcorp Power Limited and Transafam Power Limited also funded various vocational skills acquisition programmes such as refrigeration, welding and other technical skills; providing monthly stipends for Trainees during the programme, including working tools or start-up capital upon graduation.

Other CSR actions carried out by the hotel arm of our business were either done solely or in collaboration with local communities and NGOs. Transcorp Hotels engaged in the following social activities:

- Donated items on their visit to the Pope John Paul II Good Samaritan Home for the Aged. The hotel, in partnership with ACE Charity also provided 50 young people with the opportunity to learn directly from industry experts about how to get started off on their career path.
- Provided an event space for the Disability Rights Advocacy Center (DRAC) to hold a fundraiser to empower women and girls with disabilities.
- Created a free exhibition venue to promote Kanye's solo art (a talented kid living with autism)
- Made monthly donations to Daughters of Charity Hospital, Pillar of Hope Trust Foundation, and Dele Oye Foundation of food, bed linens, duvet covers, and pillowcases.
- Held bi-weekly documentary screenings, in collaboration with the American Film Society (AFS Abuja Film Club) and the International Institute for Creative Development (IICD) aimed at encouraging conversation and inspiring change in our society; and
- Promoted Global Handwashing Day Awareness at Bright Future Community Nursery and Primary School.

Stakeholder Engagement

Transcorp's stakeholder engagement approach is designed to be inclusive, strategic and result-oriented to respond to key topics of greatest concern and opportunity. Throughout the year, we actively engaged with our employees, shareholders, suppliers, communities, customers and regulators with a strong sense of commitment.

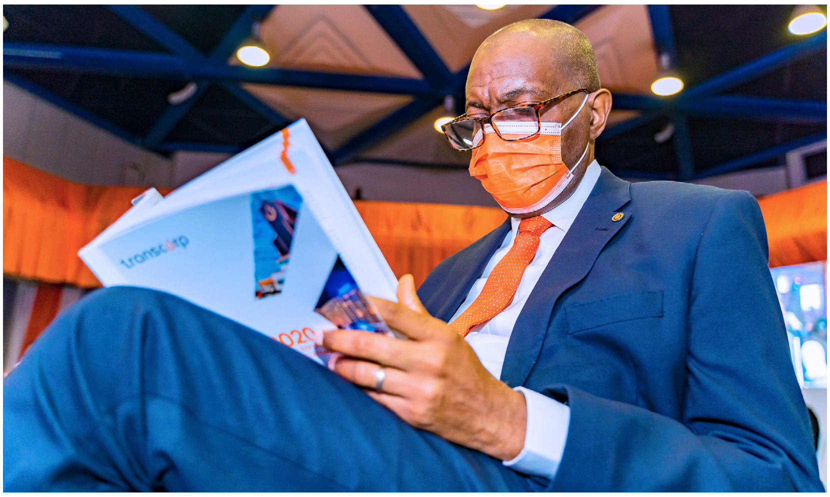
Engaging stakeholders and establishing collaborative partnerships is an essential element of our ESG strategy. By engaging with a wide variety of stakeholders on a regular basis, we build a clearer understanding of global challenges and of the local conditions in the areas where we do business. The fundamental principles of Transcorp's ongoing engagement strategy are:

1. Information sharing and disclosure
2. Participating in active dialogue
3. Collaborating on issues of mutual interest
4. Acting on input provided from stakeholders

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.
By maintaining an open dialogue, our stakeholders provides us with collective inputs to help us shape our approach, prioritise our focus, identify gaps and determine those areas where we believe we can turn the dial and have the greatest impact across the year. The table below highlights our key stakeholder groups, along with our engagement approach.

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

Employees



Our employees are at the centre of all we do, and they're crucial to achieving operational excellence. We have worked hard to establish solid relationships with our employees and purposefully create opportunities for direct interaction between management and staff in order to promote an organizational culture of open and continuous communication at all levels. In 2021 we launched the "Humans of Transcorp" Program, which is dedicated to creating a more enabling environment for our employees to be the best and tying the corporate objectives to individual goals".

Resourcing & Diversity

Our Core Values lay the groundwork for our dedication to a diverse workforce and a welcoming workplace. Furthermore, our inclusive culture has been critical to our achievement of corporate goals. Our diversity flourishes when we invite all of our employees to participate fully and foster an environment of respect, connection, and continual learning.

We think that cultivating an open communication culture leads to effective decision-making and drives creativity, both of which are essential for achieving operational excellence. While we've made significant progress in broadening our perspectives, our organization is committed to maintaining and expanding our 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 order to reinforce this commitment, we sought out ways to actualise gender balance across job functions and responsibilities; in particular, our female workforce increased from roughly 36% in 2020 to 55% in 2021.

Training & Continuous Education

Transcorp understands the value of continuous development of its employees, as they remain our most valuable assets. Investing in employee training and development enables our staff to explore different approaches to their work, learn new skills, and pursue new opportunities inside the organization. As a Group, we've gone through significant transformation in recent years and these developments have shaped how we think about talent development.

Our initiatives are designed to give our employees the tools they need to succeed. Our talent strategy, which considers the full employee lifecycle, prepares our diverse team for long-term success to support our future growth and changing environment. We've put in place a number of programs and initiatives to help businesses grow capability and competency at all levels.

During the year, amidst the protracted pandemic, our focus remained targeted towards our people by:

- Establishing our value proposition in terms of employee recruitments and engagement
- Creating a versatile and agile workforce through comprehensive talent management to achieve a high employee mobility index, thus switching on employees' capability across varied competencies and job exposure.
- Deploying formal, experiential and social learning interventions aimed at equipping employees with skills required to drive adaptability and deliver on our business strategy as well as employee aspirations.
- Driving the One Transcorp initiative , which is aimed at improving collaboration across our various office locations within the Group while improving employee experiences to mirror the world-class service excellence that we strive for.
- Paying close attention to employee health and overall well-being, making this a priority across the Group.

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.

GOVERNANCE

As an organisation, we remain unwavering in our commitment to a system of checks and balances at all levels involving the Board, Management and external stakeholders. We strive for excellence and transparency across our operations by placing rigorous Environmental, Social and Governance (ESG) responsibilities at the centre of our business with an unwavering commitment to operational excellence. The continuity to lead with strong ESG practices remain a priority for us at Transcorp and has ensured consistency in the creation of an efficiently functioning organisation geared towards delivering long-term value.

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. ESG oversight and matters pertaining to sustainability is ultimately the Board's responsibility, the President/Group CEO of the Company also has the overall responsibility for the Company's CSR activities.

A key part of effective governance is ensuring our Board has the right mix of background, experience and diversity of perspectives to support the scope and complexity of our business. We consider these representations among other diversity criteria in our director recruitment process. Succession planning has also been an area of focus for the Board over the past few years. The Board's approach to succession and renewal is to strike a balance between continuity of experience with fresh perspectives. Through this approach of orderly transition, the Board has added complementary competencies and experience while expanding diversity of backgrounds and viewpoints

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):***
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.

• ***Code of Conduct, Ethics & Compliance:***
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.

• ***CSR Policy***
The policy lays out the broad framework and processes that will guide CSR activity implementation while also enshrining and driving the Company's commitment to positive social transformation in the communities where it works.

• ***Sustainability***
This policy establishes a framework for dealing with business possibilities and is committed to the long-term development of the Group, its subsidiaries, and the communities in which 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.

AWARDS AND RECOGNITIONS
During the year 2021, Transcorp also sustained its award-winning streak through the achievements attained by our subsidiary businesses. These awards and achievements are already detailed in page 51 of this Annual Report.

Images from the 3-day Transcorp Group Strategy session





The signing of Memorandum of Understanding (MOU) betweem the Transafam management team and Host Communities

The signing of Memorandum of Understanding (MOU) between Transcorp Power and Host Communities

Humans of Transcorp focus sessions

Expaning Business Horizons: Courtesy Call by the Canadian Ambassador to Nigeria to the Transcorp Management Team.

Corporate Governance Report

Transnational Corporation of Nigeria Plc ("Transcorp" or "the Company") is committed to upholding the highest standards of corporate governance by institutionalising its principles and adopting an excellent ethical business framework, which ensures the promotion of effective governance, accountability, and business progression. At Transcorp, good corporate governance is at the centre of our business and an integral part of creating and sustaining value for stakeholders.

1. Overview

During the year ended December 31, 2021, Transcorp complied with the provisions of the Nigerian Code of Corporate Governance issued by the Financial Reporting Council (FRC) together with its Audit Regulations, the Guidelines by the Securities & Exchange Commission (SEC) and all applicable laws regulating corporate governance.

As at the end of the year 2021, the Board was of sufficient size of nine (9) Directors with four (4) Independent Non-Executive Directors, increasing the Board's degree of objectivity in the control and direction of the Company's activities. Furthermore, the Board was effectively and efficiently supported by well-structured Board Committees, i.e., the Finance and Investment Committee and the Board Audit and Governance Committee, that both provided adequate support to the Board. The Company entrenched best practices in corporate governance by formulating new policies to enhance performance, make the business more sustainable, and most importantly, sustain stakeholder trust and confidence.

The Company's sustained drive to institutionalise best practices, structures and policies is visibly evident in the update of its Governance Charter during the year and the approval of some governance aiding policies, including the following:

a. Board Succession Planning Policy,
b. Stakeholders Management and Communication Policy
c. Non – Audit Service Policy
d. Board Induction Policy
e. Business Continuity and Disaster Recovery Policy
f. Corporate Social Responsibility Framework

The following are details of some of the Policies that promote good Corporate Governance within 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, revision and policy deviations and guiding templates.

Board Governance and Board Committees Governance Charter
This Charter provides the Board and Board Committees' governance framework and promotes the Group's effective governance.

Executive Management Charter
This Charter provides for the Company's Executive Management Committee (EMC) – 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, governance structure, Board Committees, Executive Management, and organisational 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 on 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 is required to sign an undertaking to abide by the provisions of the Code.

Sustainability Policy
This Policy covers the environmental and social dimensions of sustainable development that the Company recognises as part of good business and is applicable to all its organisational units as well as operational locations. 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, Corporate Social Responsibility, Ethics and Whistle Blowing.

2. Board of Directors

2.1. General

In the financial year 2021, the Board of Directors consisted of nine (9) members made up of one (1) Executive Director (the President/GCEO) and eight (8) Non-Executive Directors, four (4) of whom are Independent Directors as defined by the Nigerian Code of Corporate Governance.

The Board exercises oversight and control thereby ensuring that Management acts in the best interest of the Company's stakeholders especially, the shareholders, while sustaining the Company's value and brand. In accordance with the provisions of the Nigerian Code of Corporate Governance and the Company's Board Governance Charter, the Board met four (4) times during the financial year. The Chairman of the Board of Directors presided over the Board proceedings and provided leadership to the Company and Board.

The details of Directors' attendance at Board meetings are disclosed on page 69 of this 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 Company's day-to-day operations.

The delegation of authority conforms to statutory limitations, clearly showing the division of responsibilities between the Board and Management. The responsibilities of the Board delegated to Management are clearly set out, and any responsibility not delegated remains with the Board and its Committees.

Board Appointment

The Company's Governance Charter sets out the process to guide the selection and appointment of Directors to the Board. The Board Audit and Governance Committee ensures compliance with the selection process in the Governance Charter before recommending to the Board for appointment. In selecting Directors, the Company seeks individuals with cognate experience, good image and reputation, high integrity, shareholder orientation, no conflict of interest, knowledge of the Company's strategic businesses and genuine interest in the Company.

Induction and Training processes

The Company has a formal Director Induction Plan for newly appointed Directors, which is properly documented in the Company's Board Induction Policy. Newly appointed Directors undergo this induction programme to become knowledgeable about the business, its governance structure, key officers, subsidiaries' businesses, facilities, and operational procedures. They are subsequently trained along with other Board members Group-wide.

Separation of the Position of the Chairman and the Managing Director

In compliance with good corporate governance, the positions of the Chairman of the Board and the Managing Director/CEO are separate and occupied by separate individuals.

2.2. *Membership and Changes on the Board*

During the financial year 2021, there were two (2) exits from the Board and three (3) new appointments of Independent Non-Executive Directors. With the appointments, the Board is better strengthened to provide higher levels of strategic leadership to the Company.

The Board Composition in the year under review together with the changes are detailed as follows:

Director	Position	Date appointed to the Board	Date(s) re-appointed/ re-elected	Date of Resignations / Retirement
Mr. Tony Elumelu, CON	Chairman	April 14, 2011	June 21, 2013, April 29, 2016, March 15, 2019	N/A
Mrs. Foluke Abdulrazaq	Vice Chairman/ Independent Non-Executive Director	June 5, 2020	NIL	N/A
Mrs. Owen Omogiafo	President/GCEO	March 25, 2020	N/A	N/A
Mr. Valentine Ozigbo	Non-Executive Director	January 1, 2019	NIL	April 27 2021[1]

Mr. Emmanuel N. Nnorom	Non-Executive Director	December 16, 2013	March 15, 2019, 26 April 2021	N/A
Dr. Stanley Lawson	Non-Executive Director	September 19, 2011	June 21, 2013, May 8, 2015, April 30, 2018	N/A
Ms. Obi Ibekwe	Non-Executive Director	October 30, 2018	April 28, 2020	October 30 2021[2]
Mrs. Toyin Sanni	Non-Executive Director	October 30, 2018	April 26, 2021	N/A
Mr. Victor Famuyibo	Independent Non -Executive Director	April 22, 2021	N/A	N/A
Mallam Ahmadu Sambo	Independent Non -Executive Director	April 22, 2021	N/A	N/A
Mr. Oliver Andrews	Independent Non -Executive Director	August 23, 2021	N/A	N/A

2.3. Board Meeting Attendance

Directors	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. Tony O. Elumelu, CON	4	4	February 26, April 24, August 16, December 15.
Mrs. Foluke Abdulrazaq	4	4	February 26, April 24, August 16, December 15.
Mrs. Owen Omogiafo	4	4	February 26, April 24, August 16, December 15.
Mr. Valentine Ozigbo	2	2	February 26, April 24.
Mr. Emmanuel Nnorom	4	4	February 26, April 24, August 16, December 15.
Dr. Stanley Lawson	4	4	February 26, April 24, August 16, December 15.
Ms. Obi Ibekwe	4	3	February 26, April 24, August 16,
Mrs. Toyin Sanni	4	4	February 26, April 24, August 16, December 15.
Mr. Victor Famuyibo	3	3	April 24, August 16, December 15.
Mallam Ahmadu Sambo	3	3	April 24, August 16, December 15.
Mr. Oliver Andrews	1	0	-

Retirement by Rotation:
The Directors to retire by rotation and offering themselves for re-election are Mr. Tony Elumelu, CON, Mrs. Foluke Abdulrazaq, and Dr. Stanley Lawson.

2.4. Board Committees

The Company maintains the Board Audit & Governance and the Finance & Investment Committees. The Company conducted evaluations to assess the performances of the Board together with the Committees.

2.41. Board Audit & Governance Committee (BAGC)

2.4.1.1 During the year, the Committee performed in line with its mandate and made valuable recommendations to the Board on the matters delegated to it by the Board including:

- Establishing formal and transparent procedures for the nomination of Directors.
- Advising and recommending the composition of the Board.
- Approving recruitments, promotions, redeployments, and disengagements of Group Heads of Departments that make up the Executive Management Committee.
- Reviewing and evaluating required skills of members of the Board.

1 Resigned
2 Resigned

- Recommending compensation for all staff of the Company and subsidiary Boards.
- Advising the Board on corporate governance standards and policies.
- Reviewing and approving all human resources and governance policies for the Group.
- Evaluating and appraising the performance of the Board and Board Committees and its members annually in conjunction with Consultants.
- Monitoring and evaluating the qualifications, independence and performance of external and internal auditors and the financial control departments.

2.4.1.2 The Committee provides a written report to the Board on its proceedings and recommendations at the quarterly Board meetings.

2.4.1.3 During the year, the composition of the BAGC was further strengthened by the appointment of Mr. Victor Famuyibo who has great expertise in resources strategy, industrial relations, performance management and process governance.

2.4.1.4 During the year, the Committee comprised of four (4) Non-Executive Directors of which two (2) are financial experts:

a. Dr. Stanley Lawson Chairman (Financial Expert)
b. Mr. Emmanuel Nnorom Member (Financial Expert)
c. Ms. Obi Ibekwe Member[2]
d. Mr. Victor Famuyibo Member

2.4.1.5 The BAGC met four (4) times in 2021 as follows:

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended
Dr. Stanley Lawson	4	4	February 11, April 15, July 26, October 20.
Mr. Emmanuel N. Nnorom	4	4	February 11, April 15, July 26, July 26, October 20.
Ms. Obi Ibekwe	4	4	February 11, April 15, July 26, October 20.
Mr. Victor Famuyibo	2	2	July 26, October 20.

2.4.2 *Finance and Investment Committee (FIC)*

2.4.2.1. The Finance and Investment Committee assists the Board in its oversight of finance and risk related matters including:

- Providing strategic direction and oversight on the Company's performance and budgeting.
- Reviewing and recommending investment opportunities or initiatives to the Board for decision.
- Recommending financial and investment decisions.
- Assisting the Board in fulfilling its oversight responsibilities regarding Information Technology Governance control.
- Ensuring that an effective system of financial and internal controls is in place.
- Monitoring and assessment of the overall integrity of the financial statements and disclosures of the financial condition and results of the Group.

2.4.2.2 During the year, the Committee amongst other things reviewed the performance of thee Company and its subsidiaries, new projects, risk management reports, tax related matters,, progress on key investments, and more.

2.4.2.3 The Committee documents and presents its proceedings and recommendations to the Board at its quarterly meetings.

2.4.2.4 During the year, the composition of the FIC was improved by the appointment of Mallam

3. Ms. Obi Ibekwe resigned her appointment from the Board effective October 30, 2021, leaving the membership of the BAGC at three (3) by December 31, 2021.

Ahmadu Sambo who is vast in business strategy, finance, and investment.

2.4.2.5 The Committee had the following composition during the year under review with the Chairman being a Non-Executive Director:

a.	Mr. Emmanuel N. Nnorom	-	Chairman
b.	Mrs. Owen Omogiafo	-	Member
c.	Mr. Valentine Ozigbo	-	Member[3]
d.	Mrs. Toyin Sanni	-	Member
e.	Mallam Ahmadu Sambo	-	Member

2.4.2.6. During the year under review, the FIC met five (5) times as follows:

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended
Mr. Emmanuel Nnorom	5	5	February 11, April 15, July 26, July 28, October 20.
Mrs. Owen Omogiafo	5	5	February 11, April 15, July 26, July 28, October 20.
Mr. Valentine Ozigbo	2	2	February 11, April 15.
Mrs. Toyin Sanni	5	4	February 11, April 15, July 26, July 28.
Mallam Ahmadu Sambo	3	3	July 26, July 28, October 20.

2.4.2.7 The Group Chief Finance Officer who is a senior member of the Company's Executive Management and charged with the responsibility for risk management presents the Financial and Risk Management reports to the FIC at its meetings

2.4.2.8 The President/GCEO and Head of Internal Audit were present during the risk management report presentations in compliance with the Securities and Exchange Commission Corporate Governance Guidelines.

2.5 Statutory Audit Committee (SAC)

2.5.1 The Company's Statutory Audit Committee (SAC) is broadly empowered to, amongst other things; ascertain whether the Company's accounting and reporting policies are in line with legal requirements and agreed ethical practices, review the Company's system of audit, internal control, and findings on management matters together with departmental responses.

2.5.2 The SAC composition was reviewed in the financial year 2021 to comprise three (3) shareholder representatives and two (2) Non-Executive Directors in accordance with the Companies and Allied Matters Act 2020. The SAC is chaired by a shareholder.

2.5.3 During the financial year, the Composition of the SAC was as follows:

a. Mr. John Isesele - Chairman (Shareholder representative)
b. Mr. Mathew Esonanjor - Member (Shareholder representative)
c. Ms. Judith Rapu - Member (Shareholder representative)
d. Dr. Stanley Lawson - Member (Director representative)
e. Ms. Obi Ibekwe - Member (Director representative)

2.5.4 However, following the resignation of Ms. Obi Ibekwe on October 30, 2021, the composition of the SAC became as follows:

a.	Mr. John Isesele	- Chairman (Shareholder representative)
b.	Mr. Mathew Esonanjor	- Member (Shareholder representative)
c.	Ms. Judith Rapu	- Member (Shareholder representative)
d.	Dr. Stanley Lawson	- Member (Director representative)

2.5.5 During the year under review, the SAC met four (4) times. The table below shows the frequency of

4. Mr. Valentine Ozigbo resigned his appointment as a Director of the company with effect from April 27, 2021

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	February 24, April 30, August 16, November 24.
Mr. Matthew Esonanjor	4	4	February 24, April 30, August 16, November 24.
Ms. Judith Rapu	4	4	February 24, April 30, August 16, November 24.
Dr. Stanley Lawson	4	4	February 24, April 30, August 16, November 24.
Ms. Obi Ibekwe	3	3	February 24, April 30, August 16

2.6 Executive Management Committee *(formerly Executive Management Team)]*

2.6.1 The Company's Executive Management Committee (EMC) is charged with the following responsibilities:

John Isesele

Matthew Esonanjor

Judith Rapu

Stanley I. Lawson

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

2.6.2 The Executive Management Committee comprises:

a. President/GCEO
b. Group Chief Finance Officer
c. Group Company Secretary
d. Director of Resources
e. Head, Internal Audit & Compliance
f. Head, Marketing and Corporate Communications
g. Head, Strategy & Business Transformation
h. Chief Information Technology Officer

i. CEOs of Subsidiaries

iii. 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.

2.7 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:

2.7.1 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, once or half-yearly.

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

2.7.2 Executive Directors
The remuneration policy for executive directors includes the following:

Fixed Remuneration; Considering 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 Key Performance Indicators set and appraised annually by the Board. .

3. Summary Report of the Annual Corporate Governance Evaluation
The firm of Angela Aneke & Co. Limited evaluated the Board and Corporate Governance for the year ended December 31, 2021, in line with the requirements of the Nigerian Code of Corporate Governance, SEC Guidelines and global best practices.

The Statements by the External Consultant on the Board and Corporate Governance evaluation are contained in pages 86 and 87 of the Annual Report, respectively and cover the summary of the Board, Committees, individual Directors and overall governance evaluation.

4. Gender diversity on the Board and employment
The Company ensures gender diversity at the Board level (with over 30% of the Board members being females) and in staff employment to have a fair and productive work environment.

5. 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 address environmental or social issues which impact the stakeholders. ESG is alternatively referred to as Corporate Social Responsibility (CSR).

6. 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 internal control systems to ensure that the company practices comply with regulations.

7. Auditors
The firm of Deloitte & Touche has served for a period of two (2) years as the Company's Independent Auditors. In accordance with section 401(2) Companies and Allied Matters Act 2020, Deloitte & Touche has indicated their willingness to continue after their second year as independent Auditors of the company. The Directors shall seek members' authorisation at the Annual General Meeting to fix their remuneration.

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 December 31, 2021, to the members of the Company. This report discloses the state of the Company and the Group.

1. LEGAL FORM

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

- Transcorp Hotels Plc
- Transcorp Power Limited
- Transafam 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
- Aura by Transcorp Hotels Limited

2. PRINCIPAL ACTIVITIES

The Company's business is the investment in and operation of portfolio companies in the hospitality, power, 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 December 31, 2021, are set out on page 5 of this report.

4. DIRECTORS

The Directors of the Company as at December 31, 2021, are as follows:

Mr. Tony O. Elumelu, CON	Chairman
Mrs. Foluke Abdulrazaq	Vice Chairman/Independent Non-Executive Director
Mrs. Owen Omogiafo	President/Group CEO
Mr. Emmanuel Nnorom	Non-Executive Director
Dr. Stanley Lawson	Non-Executive Director
Mrs. Toyin Sanni	Non-Executive Director
Mr. Victor Famuyibo	Independent Non-Executive Director
Mallam Ahmadu Sambo	Independent Non-Executive Director
Mr. Oliver Andrews	Independent Non-Executive Director

5. DIRECTORS' SHAREHOLDING AND THEIR INTERESTS

The Directors' direct and indirect interests in the shares of the Company as at December 31, 2021, were as follows

Directors Shareholding as at December 31, 2021:

Name of Directors	*Direct*	*Indirect*	*Indirectly held through*	*Total No. of Shares Held in 2021*
Mr. Tony O. Elumelu, CON	273,104,041	293,983,193	HH Capital Limited	840,632,956
		273,545,722	Heirs Holdings Limited	
Mrs. Foluke Abdulrazaq	Nil	Nil	Nil	Nil
Mrs. Owen Omogiafo	12,634,188	Nil	Nil	12,634,188
Mr. Emmanuel Nnorom	Nil	11,653,487	Vine Foods Limited	11,653,487
Mr. Stanley Inye Lawson	122,790,102	Nil	Nil	122,790,102
Mrs. Toyin Sanni	31,506	Nil	Nil	31,506
Mr. Victor Famuyibo	Nil	Nil	Nil	Nil
Mallam Ahmadu Sambo	Nil	Nil	Nil	Nil
Mr. Oliver Andrews	Nil	Nil	Nil	Nil

5. DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors notified the Company of their direct interest in contracts or proposed contracts with the Company during the year in line with the provisions of Section 303 of the Companies and Allied Matters Act 2020.

6. ALTERNATE DIRECTORSHIP
There was no alternate directorship during the year under review.

7. SHAREHOLDING ANALYSIS & SHAREHOLDER STRUCTURE
The shareholding analysis and structure of the Company as at December 31, 2021, were as follows:

Range Analysis as at December 31, 2021

Range	No. of Holders	Holders %	Holders Cumulated	Units	Unit %	Units Cumulated
1 - 999	5,204	1.85	5,204	1,883,243	0.00	1,883,243
1000-9999	209,543	74.60	214,747	532,070,358	1.31	533,953,601
10,000-99,999	54,356	19.35	269,103	1,279,086,215	3.15	1,813,039,816
100,000-999,999	9,804	3.49	278,907	2,476,442,489	6.09	4,289,482,305
1,000,000-9,999,999	1,741	0.62	280,648	4,119,955,398	10.14	8,409,437,703
10,000,000-99,999,999	198	0.07	280,846	4,427,873,803	10.89	12,837,311,506
100,000,000-999,999,999	43	0.02	280,889	11,413,919,607	28.08	24,251,231,113
Above 1,000,000,000	9	0.00	280,898	16,396,759,180	40.34	40,647,990,293
Grand Total	280,898	100		40,647,990,293	100	

Shareholding Structure as at December 31, 2021

HOLDER TYPE	HOLDER COUNT	HOLDINGS
INDIVIDUAL	276,990	19,039,670,943
GOVERNMENT	17	1,876,038
CORPORATE	2,806	21,459,786,735
PENSION	12	26,127,205
JOINT	1,071	120,377,572
INSTITUTION	2	151,800
TOTAL	280,898	40,647,990,293

8. SUBSTANTIAL INTEREST IN SHARES
As at December 31, 2021, only UBA Nominees Limited – Trading held more than 5% of the Company's issued share capital.

9. SHARE CAPITAL HISTORY

SHARE CAPITAL HISTORY AS AT DECEMBER 31, 2021

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 Company's fixed assets is given in Note 20 to the financial statements.

11. STATEMENT ON RISK MANAGEMENT POLICY & PRACTICES

The Board of Directors sets the tone for risk management by setting the risk appetite for each business within the Group. The Finance and Investment Committee (FIC) has oversight over the Company's risk management activities. Within the Company, the Chief Finance Officer is the risk officer who provides central oversight over risk management activities to ensure that the risks faced by the Company are properly identified, measured and controlled to minimise adverse outcomes.

The Chief Finance Officer presents the risk report to the FIC at its quarterly meetings and the FIC, in turn, escalates key risks to the Board together with recommended mitigants.

The Company has an Enterprise Risk Management (ERM) Framework that sets out the governance structure, processes and policy. The ERM Framework was developed to institutionalise sound risk management practices across the Transcorp Group. The ERM 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 Group's risk management systems and practices are effective and efficient.

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

The Company has a Code of Conduct, which sets out its standard position on behaviour and ethics for all Directors, employees, contractors, suppliers, consultants, business partners and persons related to the Company.

The Code particularly provides guidance in anti-bribery, ethical behaviour, money laundering, securities trading policy, Insider dealings, discrimination, drugs, alcohol, and substance abuse or trafficking, conflict of interest disclosures, relationships with customers, information security management and more. Each member of staff and Director is required to annually attest to the Company's Code of Conduct.

13. COMPLAINT MANAGEMENT PROCEDURE

In line with the Securities and Exchange Commission (SEC) Rules, 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 at www.transcorpnigeria.com.

14. EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

The Company has a policy of fair consideration of job applications by physically challenged persons regarding their abilities and aptitude. The Company's policy prohibits discrimination against such persons in its employees' recruitment, training, and career development. In the event of staff members becoming physically challenged, every effort is made to ensure that their employment with the Company continues and that appropriate training arrangements are made for them.

15. EMPLOYEE HEALTH, SAFETY AND WELFARE

The Company maintains business premises and work environments that guarantee the safety and health of its employees and other stakeholders. The Company's rules and practices in this regard are reviewed and tested regularly. The Company also provides robust, free medical insurance for its employees and their families through selected health management organisations and hospitals.

16. DONATIONS AND GIFT

The Company made donations through its subsidiaries Transcorp Hotels Plc, Transcorp Power Limited and Trans Afam Power Limited.

17. EMPLOYEE TRAINING AND DEVELOPMENT

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

18. EXTERNAL AUDITORS, BOARD EVALUATION & CORPORATE GOVERNANCE CONSULTANT

The Company's external auditors, Deloitte and Touche, have served for a period of two (2) years, while the Board evaluation and corporate governance consultant, Angela Aneke & Co. has served for four (4) years.

19. FINES AND PENALTIES

The Company was not fined during the year under review.

By Order of the Board

Kofo Olokun - Olawoyin
Group Company Secretary
FRC/2021/004/00000023325
March 14, 2022

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.

ESG issues are also considered a business imperative by the Board, which is responsible for providing 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 2021.

At the core of the Company's purpose is a commitment to building socially responsible and impactful businesses in key strategic economic sectors that serve its diverse stakeholders. Transcorp, as a responsible corporate citizen, has consistently embraced and sustained this corporate culture and social commitment by driving the integration of Environmental, Social and Governance (ESG) criteria in all aspects of the business' dealings and investment decisions.

The Company's core values of **Execution, Enterprise & Excellence (3Es)** form the foundation of who we are as an Institution and serve as a strategic support for the fulfilment of our ESG objectives driven through our 3E Impact Pillars of **Entrepreneurship & Empowerment, Education, and Environment.** These foundational elements and commitment inspire the Company to make positive impact in all its business dealings while shaping how we work collaboratively with our respective stakeholders to realize value and sustained growth. In 2021, we embarked on several CSR activities focused on these pillars; details of which can be found in the sustainability report.

Within our environment, we have worked to reduce any negative impact from our operations on the surrounding community in terms of water, air, noise, and light pollution by establishing HSSE policies across the business to govern the company's activities. This we have done with a mindset of continuous improvement. For instance, during waste disposal, we have collaborated with reputable partners to ensure this is done in an environmentally sustainable manner, adopting acceptable disposal methods based on the type of waste generated.

From the social perspective, we upgraded the Vocational Skill Training and Entrepreneur Empowerment program and funded various vocational skills acquisition programmes; following the signing of a new Memorandum of Understanding (MOU) with the respective host communities where our power businesses are located.

The Company has also sustained its efforts in providing equal opportunities for its existing and potential employees, along with the right to be treated fairly without discrimination on the grounds of race, ethnicity, gender, age, disability, education, personalities, religion or experience. To reinforce this commitment, the Company sought out ways to actualise balance across job functions and responsibilities. For instance, our female workforce increased from about 36% in 2020 to 55% in 2021.

Engaging stakeholders and establishing collaborative partnerships is an essential element of our ESG strategy. 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 has remained fostering mutual understanding, trust and cooperation with stakeholder groups on sustainability related topics

The Board also 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 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' RESPONSIBILITY

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 2021, 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:

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

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.

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

Certification of Financial Statements

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

(i) 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
(ii) 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:
(i) are responsible for establishing and maintaining internal controls and have designed such internal controls to ensure that material information relating to the Company [and its subsidiaries] is made known to the officer by other officers of the group , particularly during the period in which the audited financial statement report is being prepared,
(ii) has evaluated the effectiveness of the Group's internal controls within 90 days prior to the date of its audited financial statements, and
(iii) certifies that the Group's internal controls are effective as of that date;

We have disclosed:
(i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group ability to record, process, summarise and report financial data, and has identified for the Group's auditors any material weaknesses in internal controls, and
(ii) 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
(d) 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 statements of the Group for the year ended 31 December 2021 were approved by the Directors on 14 March 2022.

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Owen Omogiafo	**Mr Joseph Adegunwa**
President/ GCEO	Group Chief Finance Officer
FRC/2019/IODN/00000019827	FRC/2019/ICAN/00000019103

REPORT OF THE STATUTORY AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Statutory 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 2021 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 2021 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 14th day of March 2022

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

AA&Co

Angela Aneke & Co. Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria, boardevaluations@angelaanekeco.com

February 24, 2022

Statement by the External Consultants on the Board Evaluation of Transcorp Plc for the year ended December 31, 2021

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, 2021, in line with the requirements of Principle 14 of the Financial Reporting Council's Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against the principles in the FRC Code, Securities and Exchange Commission Corporate Governance Guidelines (SCGG), the Company's corporate governance framework, as well as global best practice. Our methods 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 provides guidance to the President/Group CEO in the discharge of her duties and is available to her for regular communication.

The Board of Transcorp Plc. is strong and has an established Board Governance Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board 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 governance. Furthermore, Directors largely achieved 100% attendance at all the Board and Board Committee meetings held in 2021.

The Board and its Committees have an appropriate balance of skills and diversity including experience, age, 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. In 2021, over 30% of the Board of Transcorp Plc was female, indicating the Board's continued commitment to promoting gender diversity. 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 continues to demonstrate a commitment to maintaining strong corporate governance in line with global best practice. Its corporate governance framework is optimized, and the Company has extensively applied the 28 principles of the FRC Code.

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

AngelaAneke

Angela Aneke
Managing Director
FRC/2013/IODN/00000002473

AA&Co

Angela Aneke & Co. Suite 81 Dolphin Plaza, Corporation Drive, Dolphin Estate, Lagos, Nigeria, boardevaluations@angelaanekeco.com

February 24, 2022

Statement by the External Consultants on the Corporate Governance Evaluation of Transcorp Plc for the year ended December 31, 2021

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, 2021, in line with the requirements of Principle 15 of the Financial Reporting Council's Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against each of the 28 principles of the FRC Code, Securities and Exchange Commission Corporate Governance Guidelines (SCGG), 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 Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board 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.

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 behavior is also in place. The Company also acted as a responsible citizen by embarking on several corporate social responsibility activities in 2021.

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

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

Angela Aneke
Managing Director
FRC/2013/IODN/00000002473

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 93 to 163, which comprise the consolidated and separate statements of financial position as at 31 December 2021, 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 2021, and its consolidated and separate financial performance and consolidated and separate statements of 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, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of 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 year. 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 the matter.

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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 Power Limited (TPL) and consolidation of Transcorp Hotel Plc (THP). The asset is not amortised but tested for impairment annually. Goodwill is calculated as the difference between the purchase consideration and the share of net assets acquired; it 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. To establish the fair value, the Company engaged an external valuer who determined the fair value of the property, plant and equipment, based on several valuation assumptions and deemed the fair value of the other assets to be same as their current carrying amount 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 out 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 Transcorp Hotels Plc and Transcorp Power Limited as identifiable cash-generating units • Evaluated the appropriateness of the approaches - fair value and value in use method - used by management in determining the recoverable amount of the cash generating unit. • 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 valuation of the property, plant and equipment (PPE) of Transcorp Hotels Plc to challenge management assumptions and methodologies used in determining the recoverable amount for the impairment testing. • 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 Transcorp Hotels Plc. • 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 Transcorp Power Limited's recoverable amount. • Ensured appropriate disclosures in the financial statements. Based on the procedures performed, we believe the goodwill impairment assessment by the Group is reasonable and the balance is not impaired.

Deloitte.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' report, Corporate Governance Report, Chairman's Statement, CEO's Reports, Sustainability Report, Environmental, Social & Governance Report, Statement of Directors Responsibility, Report of the Statutory Audit Committee, Company Secretary's Report, Value Added Statement and Financial Summary, 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 2020, the Financial Reporting Council of Nigeria Act 2011 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group'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.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 its 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
25 March 2022

Group Financial Statements

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

For the Year Ended 31 December 2021

	Note(s)	Group 2021 N'000	Group 2020 N'000	Company 2021 N'000	Company 2020 N'000
Revenue	9	111,219,336	75,270,921	5,127,383	2,725,533
Cost of sales	10	(56,439,941)	(42,301,226)	-	-
Gross profit		**54,779,395**	**32,969,695**	**5,127,383**	**2,725,533**
Other gains or losses	11	2,644,042	2,594,879	4,006,028	3,053,642
Impairment (loss)/gain on financial assets	16	(182,795)	(3,956,020)	-	202,318
Termination/retirement benefits	14.2	-	(2,238,174)	-	-
Administrative expenses	15	(18,704,961)	(11,383,423)	(1,692,620)	(1,187,088)
Operating profit		**38,535,681**	**17,986,957**	**7,440,791**	**4,794,405**
Finance income	12	283,926	415,418	1,081,922	1,163,714
Finance cost	13	(15,327,322)	(16,793,784)	(4,500,560)	(3,291,716)
Bargain purchase on consolidation of Afam	33.2	4,506,269	-	-	-
Profit before tax		**27,998,554**	**1,608,591**	**4,022,153**	**2,666,403**
Income tax	17	(4,167,102)	2,183,517	(587,789)	(278,043)
Profit for the year		**23,831,452**	**3,792,108**	**3,434,364**	**2,388,360**
Other comprehensive (loss)/income: Items that will not be reclassified to profit or loss					
(Loss)/gain on valuation of investments in equity instruments	25	(287,642)	724,633	(287,642)	724,633
Other comprehensive (loss)/income for the year		**(287,642)**	**724,633**	**(287,642)**	**724,633**
Total comprehensive income for the year		**23,543,810**	**4,516,741**	**3,146,722**	**3,112,993**
Profit attributable to:					
Owners of the parent		13,964,329	(862,036)	3,434,364	2,388,360
Non-controlling interest		9,867,123	4,654,144	-	-
		23,831,452	**3,792,108**	**3,434,364**	**2,388,360**
Total comprehensive income attributable to:					
Owners of the parent		13,676,687	(137,403)	3,146,722	3,112,993
Non-controlling interest		9,867,123	4,654,144	-	-
		23,543,810	**4,516,741**	**3,146,722**	**3,112,993**
Earnings per share					
Per share information					
Basic earnings/(loss) per share	19	34	(2)	8	6
Diluted earnings/(loss) per share	19	34	(2)	8	6

The accounting policies on pages 100 to 117 and the notes on pages 117 to 163 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Financial Position

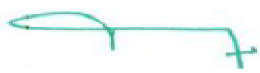
For the Year Ended 31 December 2021

	Note(s)	Group 2021 N'000	2020 N'000	1/1/2020 N'000	Company 2021 N'000	2020 N'000
Assets			(Restated)	(Restated)		
Non-Current Assets						
Property, plant and equipment	20	277,816,617	155,137,789	158,473,054	51,151	19,977
Right-of-use assets	21	288,524	62,893	120,949	288,524	62,893
Investment properties	22	2,194,000	2,047,900	2,047,900	2,194,000	2,047,900
Goodwill	23	30,934,143	30,934,143	30,934,143	-	-
Other intangible assets	24	10,265,715	10,221,940	10,234,090	5,075,818	5,075,818
Investments in subsidiaries	6	-	-	-	42,395,763	61,167,716
Investment in financial asset	25	5,411,024	4,175,603	3,450,970	3,887,961	4,175,603
Prepayments and other assets	30	38,403	36,875	125,431	38,403	36,875
Deferred tax asset	18	792,202	1,316,522	78,711	-	-
Deposit for investment	27	-	27,453,129	-	-	-
		327,740,628	**231,386,794**	**205,465,248**	**53,931,620**	**72,586,782**
Current Assets						
Inventories	28	4,463,680	4,357,878	4,438,996	-	-
Trade and other receivables	29	67,981,453	78,635,723	78,581,585	35,246,098	16,762,336
Prepayments and other assets	30	1,582,608	1,061,316	720,513	33,921	23,208
Cash and bank balances	31	14,231,648	3,769,341	4,941,953	493,255	1,172,613
		88,259,389	**87,824,258**	**88,683,047**	**35,773,274**	**17,958,157**
Total Assets		**416,000,017**	**319,211,052**	**294,148,295**	**89,704,894**	**90,544,939**
Equity and Liabilities						
Equity						
Share capital	32	20,323,996	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	32.2	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves		26,451,986	1,982,031	1,257,398	1,806,069	2,093,711
Retained earnings (Restated)		47,602,138	28,620,256	29,536,057	13,324,478	10,296,595
Equity attributable to holders of parent		100,627,991	57,176,154	57,367,322	41,704,414	38,964,173
Non-controlling interest		45,664,290	38,249,016	32,386,857	-	-
Total Equity		**146,292,281**	**95,425,170**	**89,754,179**	**41,704,414**	**38,964,173**
Liabilities						
Non-Current Liabilities						
Borrowings	26	50,698,711	103,202,328	92,222,833	13,659,279	34,072,429
Deposit for shares	38	12,935,000	12,935,000	2,410,000	-	-
Contract Liabilities	35	2,333,370	2,445,163	2,617,369	-	-
Deferred income	34	2,005,878	1,052,739	1,073,534	-	-
Deferred tax liabilities	18	6,724,181	6,348,802	7,901,660	-	-
		74,697,140	**125,984,032**	**106,225,396**	**13,659,279**	**34,072,429**

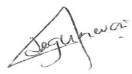
Consolidated and Separate Statements of Financial Position - Contd'

		Group			Company	
		2021 N'000	2020 N'000	1/1/2020 N'000	2021 N'000	2020 N'000
Current Liabilities						
Trade and other payables	36	135,077,249	80,192,318	74,788,170	9,913,480	10,601,733
Borrowings	26	55,387,033	15,917,655	21,633,309	23,842,510	6,688,079
Contract Liabilities	35	152,820	170,990	-	-	-
Deferred income	34	450,659	252,796	208,442	-	-
Lease liabilities	37	297,123	-	-	297,123	-
Income tax payable	17.1	3,645,712	1,268,091	1,538,799	288,087	218,525
		195,010,596	**97,801,850**	**98,168,720**	**34,341,200**	**17,508,337**
Total Liabilities		**269,707,736**	**223,785,882**	**204,394,116**	**48,000,479**	**51,580,766**
Total Equity and Liabilities		**416,000,017**	**319,211,052**	**294,148,295**	**89,704,893**	**90,544,939**

The consolidated and separate financial statements were approved by the Board of Directors on 14 March 2022 and were signed on its behalf by:



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



Mr. Joseph Adegunwa
Group Chief Finance Officer
FRC/2019/ICAN/00000019103

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

The accounting policies on pages 100 to 117 and the notes on pages 117 to 163 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

For the Year Ended 31 December 2021

	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				**(Restated)**			
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**
Adjustment (Note 44)	-	-	-	(9,662,964)	(9,662,964)	(9,321,249)	(18,984,213)
Restated Balance 1 January 2020	**20,323,996**	**6,249,871**	**1,257,398**	**29,536,057**	**57,367,322**	**32,386,857**	**89,754,179**
Profit/(Loss) for the year	-	-	-	(862,036)	(862,036)	4,654,144	3,792,108
Other comprehensive income	-	-	724,633	-	724,633	-	724,633
Total comprehensive (loss)/income for the year	**20,323,996**	**6,249,871**	**1,982,031**	**28,674,021**	**57,229,919**	**37,041,001**	**94,270,920**
*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**	**28,620,256**	**57,176,154**	**38,249,016**	**95,425,170**
Balance at 1 January, 2021	**20,323,996**	**6,249,871**	**1,982,031**	**28,620,256**	**57,176,154**	**38,249,016**	**95,425,170**
Profit for the year	-	-	-	13,964,329	13,964,329	9,867,123	23,831,452
Other comprehensive income/(loss)	-	-	(287,642)		(287,642)	-	(287,642)
Total comprehensive income/(loss) for the year	**-**	**-**	**(287,642)**	**13,964,329**	**13,676,687**	**9,867,123**	**23,543,810**
**Adjustment for disposal of shares (Note 6.2)	-	-	-		-	2,494,214	2,494,214
Other reserve from Transafam Power Limited (Note 33.3)	-	-	24,757,597	-	24,757,597	-	24,757,597
Retained earnings from Transafam Power Limited (Note 33.1)	-	-	-	5,424,033	5,424,033	-	5,424,033
Dividends (Note 36.1)	-	-	-	(406,480)	(406,480)	(4,946,064)	(5,352,544)
Rights issue	-	-	-	-	-	-	-
Total distributions to owners of company recognised directly in equity	**-**	**-**	**24,757,597**	**5,017,553**	**29,775,150**	**(2,451,850)**	**27,323,300**
Balance at 31 December, 2021	**20,323,996**	**6,249,871**	**26,451,986**	**47,602,138**	**100,627,991**	**45,664,290**	**146,292,280**
Note(s)	32	32					

*In 2018, Transcorp Staff Share Ownership Trust Company Limited was wound up. The N353mn represents the net effect of winding up the entity.

**This represents disposal of shares in Transcorp Hotels Limited during the year. 763,898,306 shares at a cost of N2.494bn was disposed at N4.148bn with the proceeds used to reduce borrowings.

The accounting policies on pages 100 to 117 and the notes on pages 117 to 163 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity - Contd'

	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, 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 (loss)/income for the year	**20,323,996**	**6,249,871**	**2,093,711**	**10,703,075**	**39,370,653**	**-**	**39,370,653**
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**
Balance at 1 January, 2021	**20,323,996**	**6,249,871**	**2,093,711**	**10,296,595**	**38,964,173**	**-**	**38,964,173**
Profit for the year	-	-	-	3,434,363	3,434,363	-	3,434,363
Other comprehensive income	-	-	(287,642)	-	(287,642)	-	(287,642)
Total comprehensive income for the year	**-**	**-**	**(287,642)**	**3,434,363**	**3,146,721**	**-**	**3,146,721**
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, 2021	**20,323,996**	**6,249,871**	**1,806,069**	**13,324,478**	**41,704,414**	**-**	**41,704,414**
Note(s)	32	32					

The accounting policies on pages 100 to 117 and the notes on pages 117 to 163 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows

For the Year Ended 31 December 2021

		Group		Company	
		2021	2020	2021	2020
	Note(s)	N '000	N '000	N '000	N '000
Cash flows from operating activities					
Profit before taxation		27,998,554	1,608,591	4,022,153	2,666,403
Adjustments for:					
Depreciation of property, plant and equipment	20	6,656,500	5,752,389	7,359	7,397
Amortisation of intangible assets	24	24,973	24,593	-	-
Depreciation of right of use asset	21	57,515	58,056	57,515	58,056
Profit on disposal of property, plant and equipment	11	(25,798)	(2,815)	(339)	-
Profit on disposal of shares	11	(1,600,740)	-	(1,600,740)	-
Dividend income on equity securities	11	(238,853)	(421,250)	(238,853)	(421,250)
Finance income	12	(283,926)	(415,418)	(1,081,922)	(1,163,714)
Finance cost on loan and borrowings	13	15,313,345	16,793,784	4,486,583	3,291,716
Interest cost on lease rental	13	13,977	-	13,977	-
Adjustment for tax on franked income		-	-	(512,738)	-
Impairment (loss)/gain on financial assets	16	182,795	3,956,020	-	(202,318)
Increase in fair value of investment properties	22	(146,100)	-	(146,100)	-
Adjustment for subsidiaries disposed/removed from the Group		-	352,953	-	-
Adjustment for PPE acquired from Transafam	20	(113,826,083)	-	-	-
Transfer of Afam's Other reserve		24,757,597	-	-	-
Retained earnings transferred from Afam	33.1	5,424,033	-	-	-
Changes in working capital:					
(Increase)/ Decrease in Inventories		(105,802)	81,118	-	-
Decrease/ (Increase) in Trade and Other Receivables		10,471,218	(4,010,158)	(17,402,556)	(1,684,992)
(Increase) in Prepayments		(522,820)	(252,247)	(12,241)	(34,502)
Increase in Trade and Other Payables		52,911,365	5,295,789	(688,253)	5,700,199
(Decrease) in Contract Liabilities		(129,963)	(1,216)	-	-
Increase in Lease Liabilities		297,123	-	283,146	-
Increase in Deferred Income		1,151,002	23,559	-	-
Cash generated from operations		**28,379,912**	**28,843,748**	**(12,813,009)**	**8,216,995**
Income tax paid	17	(889,782)	(877,861)	(5,489)	(16,393)
Net cash generated by operating activities		**27,490,130**	**27,965,887**	**(12,818,498)**	**8,200,602**

	Note(s)	Group 2021 N '000	Group 2020 N '000	Company 2021 N '000	Company 2020 N '000
Cash flows from investing activities					
Deposit for Investment	27	27,453,129	(27,453,129)	-	-
Purchase of property, plant and equipment	20	(15,508,617)	(2,417,498)	(37,905)	(2,202)
Proceeds from sale of property, plant and equipment	20	25,170	3,189	(289)	526
Proceeds of disposal of shares	6	4,095,213	-	4,095,213	-
Purchase of investment in financial assets	25	(1,500,000)	-	-	-
Purchase of other intangible assets	24	(68,748)	(12,443)	-	-
Purchase of right of use of assets	21	(283,146)	-	(283,146)	-
Interest received	12	260,863	415,418	716	1,163,714
Investment in subsidiaries/associates		-	-	16,277,480	(27,106,092)
Dividend income on equity securities	11	238,853	421,250	238,853	421,250
Right issue		-	3,838,429	-	-
Net cash generated/ (used in) by investing activities		**14,712,717**	**(25,204,784)**	**20,290,922**	**(25,522,804)**
Cash flows from financing activities					
Proceeds from borrowings	26	34,209,847	62,164,565	-	25,680,834
Repayment of borrowings	26	(49,346,197)	(60,199,546)	(5,101,688)	(4,040,522)
Deposit for shares		-	10,525,000	-	-
Dividends paid	36.1	(3,392,955)	(2,928,772)	(406,480)	(406,480)
Interest paid	26	(16,678,036)	(13,494,962)	(4,329,191)	(3,291,716)
Net cash generated by/(used in) financing activities		**(35,207,341)**	**(3,933,715)**	**(9,837,359)**	**17,942,116**
Net increase/(decrease) in cash and cash equivalents		**6,995,505**	**(1,172,612)**	**(2,364,935)**	**619,914**
Cash and cash equivalent at the beginning of the year	31	3,769,341	4,941,953	1,172,613	552,699
Cash and cash equivalent at end of the year	**31**	**10,764,846**	**3,769,341**	**(1,192,322)**	**1,172,613**

Accounting Policies

1. Corporate information

The consolidated and Separate financial statements of Transnational Corporation of Nigeria Plc and its subsidiaries (collectively, the Group) for the year ended 31 December, 2021 were authorised for issue in accordance with a resolution of the Directors on 14 March 2022. 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 Major Shareholer is UBA Nominees Limited with 3,762,647 shares being 9.26% shareholding (2020: 9.26%)

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 and Separate 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 and Separate 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 and Separate financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The Consolidated and Separate 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 and Separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December, 2021. 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 and Separate 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 Bargain purchase 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 current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- 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, fair value measurement hierarchy - 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 to the customer and when the customer pays for that good or service will be one year or less.

ii. Customer options that provide a material right

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

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

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 and Separate 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

Dercognition of Property, Plant and Equipment

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.

Derecognition of 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 and settle 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 Cash Generating Unit (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.

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 and Company'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.

Short term Employee Benefit
The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and

obligation can be estimated reliably.

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.

2.23 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.

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.

3. Significant Accounting Judgements, Estimates and Assumptions

3.1 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 and Separate 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

3.2 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, 2021 for the investment properties.

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

Valuation Basis

The basis of valuation of the investment property is the Market value, that is, the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming:

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

Method of Valuation

We have valued the property in the open market using the Direct Market Comparison method of valuation.

Direct Market Comparison Approach

This approach compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions to arrive at the value. The process uses one of several techniques to adjust the prices of the comparable transactions according to the presence, absence or degree of characteristics which influence value.

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 in Note 29 is further detailed below, which also sets out key sensitivities of the ECL to changes in these elements.

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 period 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.

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

4 New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in 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:

Impact of the initial application of Interest Rate Benchmark Reform
In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements. The Group has not restated the prior period. Instead, the amendments have been applied retrospectively with any adjustments recognised in the appropriate components of equity as at 1 January 2021.

Both the Phase 1 and Phase 2 amendments are relevant to the Group because it applies hedge accounting to its interest rate benchmark exposures, and in the current period modifications in response to the reform have been made to some (but not all) of the Group's derivative and non-derivative financial instruments that mature post 2021 (the date by which the reform is expected to be implemented).

The amendments are relevant for the following types of hedging relationships and financial instruments of the Group, all of which extend beyond 2021:
- Fair value hedges where LIBOR-linked derivatives are designated as a fair value hedge of fixed rate debt in respect of the GBP LIBOR risk component
- Cash flow hedges where IBOR-linked derivatives are designated as a cash flow hedge of IBOR-linked bank borrowings
- Bills or exchange and lease liabilities which reference LIBORs and are subject to the interest rate benchmark reform

The impact of the amendment is not material.

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021—Amendment to IFRS 16

In the prior year, the Group early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021.

In March 2021, the Board issued Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16) that extends the practical expedient to apply to reduction in lease payments originally due on or before 30 June 2022.

In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the Board in May 2021) in advance of its effective date.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

• 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
Note

• Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent
concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
Note

• There is no substantive change to other terms and conditions of the lease
Note

The impact of the amendment is not material.

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

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

1. 1) IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance Contract
2. Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
3. Amendments to IAS 1 Classification of Liabilities as Current or Non-current
4. Amendments to IFRS 3 Reference to the Conceptual Framework
5. Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use
6. Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract
7. Annual Improvements to IFRS - Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards 2018 - 2020 cycle, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture
8. Amendments to IAS 1 and IFRS - Disclosure of Accounting Policies
9. Amendments to IAS 8 Definition of Accounting Estimates
10. Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

IFRS 17 Insurance Contracts
IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

The effective date of the amendment for annual reports is January 1st 2023.
It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendment is to be determined by the IASB, however earlier application of the ammendment is permitted. It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent

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.

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

Amendments to IFRS 3 Business Combinations—Reference to the Conceptual Framework
IFRS 3 Business Combinations

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.

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

Amendments to IAS 16 Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

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

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments is not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets—Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated.

Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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

Annual Improvements to IFRS Standards 2018-2020—Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture

The Annual Improvements include amendments to three Standards:
IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

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

IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements. As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated

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

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted.

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

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

• A change in accounting estimate that results from new information or new developments is not the correction of an error
• The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

• A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
– Right-of-use assets and lease liabilities
– Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

• The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

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

5. Segment analysis

The Group
Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker has been identified as the President/GCEO for Transnational Corporation of Nigeria Plc and the Managing Director/CEO of respective Subsidiary Companies. The President/GCEO and the respective Managing Director/CEO of each subsidiary reviews the Group and Individual Company's internal reporting in order to assess performance and allocate resources. The President/GCEO has determined the operating segments based on these reports. Assessment of performance is based on operating profit of the operating segment that is reviewed by the President/GCEO and other DIrectors. Other information provided to the Board is measured in a manner consistent with that of the financial statements.

The Executive Directors considers the business from an industry perspective and has identified five (5) operating segment which is the hospitality business as none of the subsidiaries consolidated quality for segment analysis.

All businesses are situated in Nigeria. In addition, inter-segmental transactions have been properly eliminated upon consolidation.

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

ii Agro-allied
This relates to a subsidiary, Teragro Commodities Limited. The subsidiary is engaged in the manufacturing/processing of fruit concentrates from fruits.

iii Power
This relates to a subsidiary, Transcorp Power Limited (TPL) and Transafam Power Limited (with its subsidiaries, Afam Power Plc and Afam Three Fast Power Limited). The subsidiary is engaged in generation of electric power.

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

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

The President/GCEO who is the Chief Operating Decision Maker (CODM) 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.

The revenue from external parties reported to the Group is measured in a manner consistent with that in the income statement.

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

Total segment assets are included in the reconciliation to the total statement of financial position assets.

As at 31 December 2021

	Hospitality	Oil & Gas	Agro-Allied	Power	Corporate Centre	Inter-Segment Elimination	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	21,742,192	-	-	89,477,144	5,127,383	(5,127,383)	**111,219,336**
Other operating income/(loss)	909,383	(443,388)	14,358	131,188	4,006,028	(1,973,527)	2,644,042
Impairment (loss)/gain on financial assets	20,224	-	-	(551,892)	-	348,873	(182,795)
Administrative expenses	(11,428,226)	(256,811)	(7,748)	(7,293,083)	(1,692,620)	1,973,527	(18,704,961)
Finance cost	(4,072,562)	-	-	(7,859,832)	(4,500,560)	1,105,632	(15,327,322)
Finance income	4,299	-	-	1,123,930	1,081,922	(1,926,225)	283,926
Profit/(loss) before taxation	1,662,611	(700,199)	6,610	28,606,482	4,022,153	(5,599,103)	**27,998,554**
Total assets	115,889,727	8,218,853	16,753	278,363,149	89,737,694	(76,226,159)	416,000,017
Total liabilities	(53,669,501)	(9,990,997)	(1,775,802)	(208,609,454)	(48,001,679)	52,339,697	(269,707,736)
Net assets	**62,220,226**	**(1,772,144)**	**(1,759,049)**	**69,753,695**	**41,736,015**	**(23,886,462)**	**146,292,280**

As at 31 December 2020

	Hospitality	Oil & Gas	Agro-Allied	Power	Corporate Centre	Inter-Segment Elimination	Total
Revenue	10,152,244	-	-	65,118,677	2,725,533	(2,725,533)	**75,270,921**
Other operating income/(loss)	170,971	-	-	788,737	3,053,642	(1,418,471)	2,594,879
Impairment (loss)/gain on financial assets	53,199	-	-	(4,223,766)	202,318	12,229	(3,956,020)
Administrative expenses	(8,283,018)	-	-	(2,786,262)	(1,187,088)	872,945	(11,383,423)
Finance cost	(5,306,339)	-	-	(8,495,542)	(3,291,716)	299,813	(16,793,784)
Finance income	6,231	-	-	407,818	1,163,714	(1,162,327)	415,436
Profit/(loss) before taxation	(8,940,287)	(431,241)	(108,376)	11,997,910	2,666,403	(3,575,817)	1,608,592
Total assets	112,923,332	7,572,057	27,502,682	152,926,112	90,544,939	(72,258,070)	319,211,052
Total liabilities	(51,820,423)	(8,644,003)	(29,236,741)	(128,389,980)	(48,000,479)	42,242,608	(223,849,018)
Net assets	**61,102,909**	**(1,071,946)**	**(1,734,059)**	**24,536,132**	**42,544,460**	**(30,015,462)**	**95,362,034**

Revenue for the Corporate Centre in 2021 relates to dividend income from Transcorp Power Limited to the Company, Transnational Corporation of Nigeria Plc.

Other operating income/(loss) from transactions during the year with other operating segments relates to Management and Technical Services fees from Transcorp Power Limited, Transafam Power Limited and Transcorp Hotels Plc, to the Company, Transnational Corporation of Nigeria Plc.

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

Revenue	31 December 2021 N'000	31 December 2020 N'000
Total revenue for reportable segments	116,346,719	77,996,454
Elimination of inter-segment revenue (i)	(5,127,383)	(2,725,533)
External revenue	**111,219,336**	**75,270,921**
Profit or loss		
Profit for reportable segments	33,597,657	7,095,373
Elimination of inter-segment profits (ii)	(5,599,103)	(5,486,782)
Consolidated profit before taxation	**27,998,554**	**1,608,591**

Assets	31 December 2021	31 December 2020
Total assets of reportable segments	492,226,176	391,469,122
Consolidation eliminations (iii)	(76,226,159)	(72,258,070)
Consolidated total assets	**416,000,017**	**319,211,052**
Liabilities		
Total liabilities of reportable segments	322,047,432	266,091,626
Consolidation eliminations (iv)	(52,339,697)	(42,242,608)
Consolidated total liabilities	**269,707,736**	**223,849,018**

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 to Transnational Corporation of Nigeria Plc.

(ii) Elimination of inter-segment other operating income/(loss) relates to management and technical service fees income from Transcorp Power Limited, Transafam Power Limited and Transcorp Hotels Plc,to Transnational Corporation of Nigeria Plc.

(iii) Elimination of inter-segment profits relates to dividend income, management and technical service fees, and finance cost/income between the segments and other income arising from transactions with non-controlling interests.

(iv) 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, Transcorp Hotels Ikoyi Limited and Aura by Transcorp Hotels 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.

(v) 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, Transcorp Power Limited and Transafam Power Limited accounts for the consolidation eliminations in total liabilities of the reportable segments.

Entity-wide information

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

Analysis of revenue by category:	31 December 2021 N'000	31 December 2020 N'000
Rooms	14,085,653	6,502,452
Food and beverage	6,470,388	2,593,847
Shop rental	823,269	693,794
Service charge	-	-
Other operating revenue	254,729	362,151
Capacity charge	32,415,880	24,527,532
Energy sent out	57,031,863	40,509,266
Ancillary services	137,553	81,879
Total	**111,219,335**	**75,270,921**

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 2021	% holding 2020	Carrying amount 2021 N' 000	Carrying amount 2020 N' 000
Transcorp Hotels Plc	Hospitality services	76.2 %	83.6 %	25,470,755	27,965,228
Transcorp Power Limited	Power generation	50.9 %	50.9 %	16,826,588	16,826,588
Transcorp Energy Limited	Exploration of petroleum product	99 %	99 %	9,900	9,900
Transafam Power Limited*	Power generation	95 %	95 %	47,500	16,325,000
Transcorp Properties Limited	Building	100%	100%	10,000	10,000
Transcorp OPL 281 Nigeria Limited	Exploration, refining and marketing of petroleum products	100%	100%	500	500
Terago Commodities Limited	Growing of Agricultural product processing food and cash crops	95%	95%	9,500	9,500
Transcorp Refining Company Limited	Oil and gas exploration, refining and marketing General maritime	100%	100%	1,000	1,000
Transcorp Trading and Logistics Limited	Operation Communication	100%	100%	10,000	10,000
Transcorp Telecomms Limited	Operation Communication services	100%	100%	10,000	10,000
Aura by Transcorp Hotel Limited	Hospitality services	20%	0%	20	-
Transcorp Hotel Plc's investments in subsidiaries include:					
Transcorp Hotels Calabar Limited	Hospitality services	100%	100%	-	-
Transcorp Hotels Port Harcourt Limited	Hospitality services	100%	100%	-	-
Transcorp Hotels Ikoyi Limited	Hospitality services	58%	58%	-	-
Aura by Transcorp Hotel Limited	Hospitality services	60%	0%	-	-
Transafam Power Limited's investments in subsidiaries include:					
Afam Power Plc	Power generation	100%	0%	-	-
Afam Three Fast Power Limited	Power generation	100%	0%	-	-
				42,395,763	**61,167,716**

6.1 Movement in investment in subsidiaries

	2021 N'000	2020 N'000
As at 1 January	61,167,716	34,061,624
Transfer to intercompany	(16,277,500)	-
Additional investment during the year	20	27,106,092
Disposal of investment	(2,494,473)	-
	42,395,763	**61,167,716**

Transfer to intercompany account

In 2020, the Group supported its subsidiary -Transafam Power Limited-, with the sum of N16,325,000,0000, to acquire the Afam Genco, part of which includes N47,500,000 of equity and N16,277,000,000 intercompany support. In 2021, the N16,277,000,000 support has been transferred to intercompany.

6.2 Profit on disposal of shares inTranscorp Hotels Plc		N'000
Proceeds of disposal of shares		4,147,968
Cost of disposal of shares		(52,755)
Net proceeds on disposal of shares	16	**4,095,213**
Cost of investment		(2,494,473)
Profit on disposal		**1,600,740**

This represents part disposal of shares in Transcorp Hotels Limited during the year. 763,898,306 shares with a nominal value of N2.49bn was disposed at N5.43. The total proceeds of N4.15bn was used to settle part of the Company's interest-bearing borrow-ings.

6.3 Investments made by subsidiaries during the year

Transafam Power Ltd
Following the emergence of Transcorp Consortium as the core investor in Afam Genco's (Afam Power Plc annd Afam Fast Three Power Limited), a new subsidiary, Transafam Power Limited was incorporated in 2020 to execute the takeover and manage of the assets of the Afam Genco. Although, the official ownership takeover took place in 2020, the administrative handover was not finalised until 10 March 2021.

Transcorp Hotels Plc
There was a new investment in subsidiary, Aura by Transcorp Hotels Limited during the year. It was incorporated July 2021 and provides a new platform that connects people to unique accommodation, great food, and memorable experiences.

Transcorp Power Limited
There was no additional investment during the year.

6.4 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	
		2021	2020
Transcorp Hotels Plc	Nigeria	23.8 %	16.4 %
Transcorp Power Limited	Nigeria	49.1 %	49.1 %
Transafam Power Limited	Nigeria	2.5 %	0.0 %

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

	Transcorp Hotels Plc - Group		Transcorp Power Limited		Transafam Power Limited	
	2021	2020	2021	2020	2021	2020
Assets	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Non-current assets	106,245,806	107,929,396	65,918,561	60,261,865	119,719,593	-
Current assets	9,643,921	4,993,936	89,495,784	92,664,247	3,229,211	-
Total assets	**115,889,727**	**112,923,332**	**155,414,345**	**152,926,112**	**122,948,804**	**-**
Liabilities						
Non-current liabilities	28,039,657	23,526,306	20,590,468	55,977,561	10,525,000	-
Current liabilities	25,629,844	28,294,117	100,817,742	72,412,419	76,676,244	-
Total liabilities	**53,669,501**	**51,820,423**	**121,408,210**	**128,389,980**	**87,201,244**	**-**
Total net assets	62,220,226	61,102,909	34,006,137	24,536,132	35,747,560	-
Carrying amount of non-controlling interest	**14,833,302**	**10,020,877**	**16,697,013**	**12,047,241**	**877,603**	**-**
Revenue	21,742,192	10,152,244	74,330,710	65,118,677	15,146,434	-
Cost of sales	(5,512,699)	(3,489,474)	(39,711,272)	(38,811,751)	(11,215,970)	-
Other operating income/(loss)	909,383	170,971	123,581	788,737	7,607	-
Impairment (loss)/gain on financial assets	20,224	53,199	(346,932)	(4,223,766)	(204,960)	-
Termination/retirement benefits	-	(2,238,174)	-	-	-	-
Administrative expenses	(11,428,226)	(8,288,927)	(4,551,196)	(2,786,262)	(2,741,887)	-
Finance income	4,299	6,213	1,105,327	407,818	18,603	
Finance cost	(4,072,562)	(5,306,339)	(7,859,832)	(8,495,542)	-	
Profit before tax	1,662,611	(8,940,287)	23,090,386	11,997,911	1,009,827	-
Tax expense	(545,294)	2,664,769	(3,546,935)	(475,762)	-	-
Profit/ (loss) after tax	1,117,317	(6,275,518)	19,543,451	11,522,149	1,009,827	-
Total comprehensive income	1,117,317	(6,275,518)	19,543,451	11,522,149	1,629,849	-
Profit (loss) allocated to non-controlling interest	(26,609)	1,055	977,173	5,658,527	24,791	-

Summarised consolidated and separate statement of cash flows

	Transcorp Hotels Plc - Group		Transcorp Power Limited		TransAfam Power	
	2021	2020	2021	2020	2021	2020
Cash flows from operating activities	5,674,097	8,374,646	39,409,550	12,288,111	11,304,560	-
Cash flows from investing activities	(837,260)	(1,689,814)	(8,839,173)	(728,530)	(4,736,544)	-
Cash flows from financing activities	(3,447,006)	(7,325,418)	(21,098,890)	(12,799,005)	(3,789,415)	-
Net increase(decrease) in cash and cash equivalents	**1,389,831**	**(640,586)**	**9,471,487**	**(1,239,424)**	**2,778,601**	**-**

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 finance 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 finance 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 - 2021

	Note(s)	Fair value through other comprehensive income	Amortised cost	Total Carrying Amount
		N'000	**N'000**	**N'000**
Investment in finance assets	25	5,411,024	-	5,411,024
Trade and other receivables	29	-	67,981,453	67,981,453
Cash and Bank balance	31	-	14,231,648	14,231,648
		5,411,024	**82,213,101**	**87,624,125**

Group - 2020
Carrying value

	Note(s)	Fair value through other comprehensive income	Amortised cost	Total Carrying Amount
		N'000	**N'000**	**N'000**
Investments in finance asset	25	4,175,603	-	4,175,603
Trade and other receivables	29	-	78,635,723	78,635,723
Cash and Bank balance	31	-	3,769,341	3,769,341
		4,175,603	**82,405,064**	**86,580,667**

Company - 2021
Carrying value

Note(s)	Note(s)	Fair value through other comprehensive income	Amortised cost	Total Carrying Amount
		N'000	**N'000**	**N'000**
Investments in finance asset	25	3,887,961	-	3,887,961
Trade and other receivables	29	-	35,246,098	35,246,098
Cash and Bank balance	31	-	493,255	493,255
		3,887,961	**35,739,353**	**39,627,314**

Company - 2020

	Note(s)	Fair value through other comprehensive income	Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Investments in finance assets	25	4,175,603	-	4,175,603
Trade and other receivables	29	-	16,762,336	16,762,336
Cash and Bank balance	31	-	1,172,613	1,172,613
		4,175,603	**17,934,949**	**22,110,552**

Categories of financial liabilities

Group - 2021

	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	37	126,568,208	126,568,208
Borrowings	26	106,085,744	106,085,744
		232,653,952	**232,653,952**

Group - 2020

	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	37	79,610,717	79,610,717
Borrowings	26	119,119,983	119,119,983
		198,730,700	**198,730,700**

Company - 2021

	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	37	9,532,734	9,532,734
Borrowings	26	37,501,789	37,501,789
		47,034,523	**47,034,523**

Company - 2020

	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	37	10,529,337	10,529,337
Borrowings	26	40,760,508	40,760,508
		51,289,845	**51,289,845**

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 finance 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	
		2021 N'000	2020 N'000	2021 N'000	2020 N'000
Borrowings	26	106,085,744	119,119,983	37,501,789	40,760,508
Trade and other payables	36	126,568,208	79,610,717	9,532,734	10,529,337
Total debt		**232,653,952**	**198,730,700**	**47,034,523**	**51,289,845**
Cash and cash equivalents	31	(14,231,648)	(3,769,341)	(493,255)	(1,172,613)
Net debt		**218,422,304**	**194,961,359**	**46,541,268**	**50,117,232**
Equity		146,292,281	95,425,170	41,704,414	38,964,173
Capital and net debt		364,714,585	290,386,529	88,245,682	89,081,405
Gearing ratio		60 %	67 %	53 %	56 %

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets finance covenants attached to the interest-bearing loans and borrowings that decline capital structure requirements. Breaches in meeting the finance covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the finance 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, 2021 and 2020.

Financial risk management
Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a finance instrument or customer contract, leading to a finance 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 finance institutions, foreign exchange transactions and other finance iinstruments.

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

Group		2021			2020		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carry-ing amount	Credit loss allowance	Net carry-ing amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29.3	74,950,903	(6,969,450)	67,981,453	85,419,124	(6,783,401)	78,635,723
Bank balances	32.0	14,200,093	-	14,200,093	3,756,357	-	3,756,357

Company		2021			2020		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carry-ing amount	Credit loss allowance	Net carry-ing amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29	38,662,414	(3,416,316)	35,246,098	20,178,652	(3,416,316)	16,762,336
Bank balances	32.0	473,893	-	473,893	1,172,511	-	1,172,511

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	**2021**	**2021**	**2020**	**2020**
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on profit before tax:				
Change in USD rate 2% (2020: 2%)	23,209,166	(23,209,166)	444,052	(444,052)
Change in GBP rate 2% (2020: 2%)	380,511	(380,511)	1,368	(1,368)
	23,589,677	**(23,589,677)**	**445,420**	**(445,420)**

Financial instruments risk management objectives and policies-continued

Company	**2021**	**2021**	**2020**	**2020**
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on profit before tax:				
Change in USD rate 2% (2020: 2%)	445,245	(445,245)	14	(14)

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

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a finance 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 Exchange Group (NGX) was N5,411,024,000 (31 December, 2020: N4,175,603,000). The changes in fair values of the equity investments held are strongly positively correlated with changes of the NGX market index. The Group has determined that an increase/(decrease) of 5% on the NSE market index could have an impact of approximately N287,642,000 (31 December, 2020: N427,909,827) 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 finance 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 Company expects to receive, discounted at an approximation of the original effective interest rate.

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

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the 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 finance assets including information about their impairment allowance are disclosed below respectively.

The Company considers a finance asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a finance 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 finance 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, 2020 and 31 December, 2021.

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, 2021					
Key drivers	**ECL scenario**	**Assigned probabilities**	**2022**	**2023**	**2024**
Oil price	Upturn	50 %	55.61	57.07	57.07
	Base	50 %	42.44	42.44	54.96
	Downturn	0 %	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	0 %	0.11	0.11	0.11
	Base	83 %	0.12	0.12	0.12
	Downturn	17 %	0.12	0.12	0.12

Group and Company 31 December, 2020 Key drivers	**ECL scenario**	**Assigned probabilities**	**2021**	**2022**	**2023**
Oil price	Upturn	50 %	55.61	57.07	57.07
	Base	50 %	42.44	54.96	54.96
	Downturn	0 %	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	0 %	0.11	0.11	0.11
	Base	83 %	0.12	0.12	0.12
	Downturn	17 %	0.12	0.12	0.12

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

	Group			**Company**		
31-Dec-21	**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%)	-	-	-	-	284,923	284,923
Base (82%)	-	-	-	-	2,336,369	2,336,369
Downturn (8%)	-	-	-	-	227,938	227,938
	-	**-**	**-**	**-**	**2,849,230**	**2,849,230**

	Group			Company		
31-Dec-20	**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 (80%)	-	465,011	465,011	-	2,801,379	2,801,379
Downturn (10%)	-	45,367	45,367	-	273,305	273,305
	-	**567,086**	**567,086**	**-**	**3,416,316**	**3,416,316**

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

		Group		Company
	2021 N'000	**2020 N'000**	**2021 N'000**	**2020 N'000**
Intercompany and other receivables	3,530,543	4,397,492	20,178,652	18,476,560
Gross carrying amount as at 1 January Repayment/Asset derecognised	(3,530,543)	(866,949)	16,782,423	1,702,092
At 31 December	**-**	**3,530,543**	**36,961,075**	**20,178,652**

Financial instruments risk management objectives and policies

	Group		Company	
	2021 N'000	**2020 N'000**	**2020 N'000**	**2020 N'000**
ECL allowance as at 1 January	567,086	567,086	3,416,316	3,606,498
Charged for the year	-	-	-	-
Asset derecognised or repaid (excluding write offs)	-	-	-	(190,182)
At 31 December	**567,086**	**567,086**	**3,416,316**	**3,416,316**

	Group		Company	
	2021 N'000	**2020 N'000**	**2020 N'000**	**2020 N'000**
Short-term deposits Gross carrying amount as at 1 January	543,074	1,727,116	544,639	544,639
Additions	-	-	-	-
Asser derecognised or repaid (excluding write offs)		(1,184,042)		
At 31 December	**543,074**	**543,074**	**543,074**	**544,639**
ECL allowance as at 1 January	-	5,898	-	5,898
Charged for the year Asset derecognised or repaid (excluding write offs)	-	(5,898)	-	(5,898)
At 31 December	**-**	**-**	**-**	**-**

Excessive risk concentration
The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. identified concentrations of credit risks are controlled and managed accordingly.
The table below summarises the maturity profie of the Group's financial liabilities based on contractual undiscounted payments:

Group Year ended 31 December, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	-	-	55,387,033	50,698,711	-	106,085,744
Trade and other payables	-	-	135,077,249	-	-	135,077,249
	-	**-**	**190,464,282**	**50,698,711**	**0**	**241,162,933**

Group Year ended 31 December, 2020	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings			15,917,655	103,202,328	0	119,119,983
Trade and other payables			80,192,318	-	-	80,192,318
			96,109,973	**103,202,328**	**0**	**199,312,301**

Company Year ended 31 December, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	-	-	23,842,510	13,659,279	0	37,501,789
Trade and other payables	-	-	9,913,480	0	-	9,913,480
	-	**-**	**33,755,990**	**13,659,279**	**0**	**47,415,269**

Company Year ended 31 December, 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	-	-	6,688,079	34,072,429	0	40,760,508
Trade and other payables	-	-	10,601,733	-	-	10,601,733
	-	**-**	**17,289,812**	**34,072,429**	**0**	**51,362,241**

Changes in liabilities arising from financing activities

Group	1 January, 2021	Additional loan	Loan repayment	Foreign exchange	Dividend paid	Others	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Current interest-bearing	15,917,655	-	56,982,521	(17,513,143)	-	-	55,387,033
Loans and Borrowings Non-current interest bearing loans and borrowings	103,202,328	34,209,847	(49,346,197)	-	-	(37,367,267)	50,698,711
Dividend payable	2,582,674	-	-	-	(2,582,674)	3,037,132	3,037,132
Deferred income	1,305,535	1,424,170	-	-	-	(273,168)	2,456,537
Total liabilities from financing activities	**123,008,192**	**35,634,017**	**7,636,324**	**(17,513,143)**	**(2,582,674)**	**(34,603,303)**	**111,579,413**

Group	1 January, 2020	Additional loan	Loan repayment	Foreign exchange	Dividend paid	Others	Total
		N'000	N'000	N'000	N'000	N'000	N'000
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**

Financial instruments risk management objectives and policies

Company	1 January, 2021	Additional loan	Loan repayment	Foreign exchange	Dividend paid	Others	Total
		N'000	N'000	N'000	N'000	N'000	N'000
Current interest-bearing loans and borrowings	6,688,079	0	(5,101,688)	-	-	22,256,119	23,842,510
Non-current interest bearing loans and borrowings	34,072,429	3,680,834	(4,040,522)	-	-	(20,053,462)	13,659,279
Dividend payable	-	-	-	-	-	-	-
Total liabilities from financing activities	**40,760,508**	**3,680,834**	**(9,142,210)**	**-**	**-**	**2,202,657**	**37,501,789**

Financial instruments risk management objectives and policies

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	256,,80,834	(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**

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, 2021:

Fair value measurement

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)**
Investment properties (Note 22)	**31 December, 2021**	**N'000**	**N'000**	**N'000**	**N'000**
		2,194,000	-	-	2,194,000
Listed equity investments (Note 26)	31 December, 2021	3,887,961	3,887,961	-	-

There were no transfers between Level 1 and Level 2 during 31 December, 2021.

Fair value measurement heirarchy for liabilities as at 31 December, 2021.

Fair value measurement

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 unob- servable inputs (Level 3)
		N'000	N'000	N'000	N'000
		-	-	-	-
The Group Interest-bearing loans and borrowings:	31 December, 2021	106,085,744	-	106,085,744	-
		-	-	-	-
The Company Interest-bearing loans and borrowings:	31 December, 2021	37,501,789	37,501,789	-	-

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

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

Fair value measurement

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)
		N'000	N'000	N'000	N'000
Investment properties (Note 22)	31-Dec-20	2,047,900	-	-	2,047,900
Listed equity investments (Note 25)	31-Dec-20	4,175,603	4,175,603	-	-

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

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

Fair value measurement

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)
		N'000	N'000	N'000	N'000
The Group		-	-	-	-
Interest-bearing loans and borrowings(note 26):		119,119,983	-	119,119,983	-
The Company		-	-	-	-
Interest-bearing loans and borrowings(note 26):		40,760,508	-	40,760,508	-

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

Fair value hierarchy
The table above analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. All level 2 valuation were derived using either the net present value and discounted cash flow models or comparison with similar instruments for which market observable prices exist.
Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

There were no transfers from Level 1 to Level 2 or between level 2 or level 3 of the fair value hierarchy during the year.

Valuation processes applied by the Group

The following fair valuation methods and assumptions were used:

- Cash & cash equivalents: represents cash held in various bank accounts at the end of the year. The fair value of this amount is the carrying amount.
- Trade and Other receivables: represent amount due from third parties and other related parties which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- Investment property represents landed assets in PortHarcourt owned 100% by the Group and is revalued annually by expert estate valuers using level 2 inputs. The carrying amount is the fair value of the assets.
- Trade payable: represent amount payable to vendors and other creditors which have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- Borrowings represents loans from third party institutions at market interest rates which have varying tenors in line with each loan agreement. The fair values of these balances are their carrying amount.
- Other liabilities: are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values.

9. Revenue

Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

31-Dec-21	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	14,085,653	-	-	14,085,653
Food and beverages	6,470,388	-	-	6,470,388
Shop rental	823,269	-	-	823,269
Electric energy and capacity	-	89,477,144	-	89,477,144
Ancillary services	108,153	-	-	108,153
Other operating revenue	254,729	-	-	254,729
Total revenue from contracts with customers	**21,742,192**	**89,477,144**	**-**	**111,219,336**
Other revenue				
Dividend income	-	-	5,127,383	5,127,383
Total revenue	**21,742,192**	**89,477,144**	**5,127,383**	**111,219,336**
Timing of revenue recognition				
Goods transferred at a point in time	6,470,388	-	-	6,470,388
Services transferred over time	15,271,804	89,477,144	-	104,748,948
Total revenue from contracts with customers	**21,742,192**	**89,477,144**	**-**	**111,219,336**

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note 5):

	Hospitality	Power	Corporate Centre (Company)	Total
Revenue	N '000	N '000	N '000	N '000
External customer	21,742,192	89,477,144	-	111,219,336
Inter-segment	-	-	5,127,383	5,127,383
	21,742,192	89,477,144	5,127,383	116,346,719
Inter-segment adjustments and eliminations	-	-	(5,127,383)	(5,127,383)
Total revenue	**21,742,192**	**89,477,144**	**-**	**111,219,336**

31-Dec-20	Hospitality	Power	Corporate Centre (Company)	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	N'000	N'000	N'000	N'000
Goods transferred at a point in time	2,593,847	-	-	2,593,847
Services transferred over time	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 (Note 5):

	Hospitality	Power	Corporate Centre (Company)	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**

10. Cost of sales

		Group		Company
	2021	2020	2021	2020
	N '000	N '000	N '000	N '000
Room	1,834,155	1,300,823	-	-
Food and beverages	3,495,250	2,060,767	-	-
Natural gas and fuel costs	41,939,331	33,003,401	-	-
Direct materials and related expenses	1,184,826	760,606	-	-
Employee costs	769,610	696,451	-	-
Depreciation and impairment	4,016,646	3,050,117	-	-
Repairs and maintenance	2,243,218	1,060,469	-	-
Insurance	280,873	240,708	-	-
Other expenses	676,032	127,884	-	-
	56,439,941	**42,301,226**	**-**	**-**

11. Other gains or losses

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Management fees from subsidiaries	-	-	1,973,527	998,721
Change in fair value of investment properties	146,100	-	146,100	-
Dividend income on equity securities	238,853	421,250	238,853	421,250
Rental income on investment property	20,000	20,000	20,000	20,000
Key money	152,825	157,970	-	-
Withholding tax refund (Note 11.1)	-	1,613,671	-	1,613,671
Discount received on loan repayment (Note11.2)	735,000	-	-	-
Deferred income(Note 34)	273,168	253,488	-	-
Profit from disposal of assets	25,798	2,815	339	-
Profit from disposal of shares (Note 11.3)	1,600,740	-	1,600,740	-
Net foreign exchange (loss)/gain	(784,866)	(630,408)	(3,133)	-
Other income	236,424	756,093	29,602	-
	2,644,042	**2,594,879**	**4,006,028**	**3,053,642**

11.1 For the year ended 2020, the Group and Company recognised 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.

11.2 During the year, the $5mn loan being owed by Transcorp Hotels Plc to Hilton Worldwide was repaid at a discount of 35% granted to Transcorp Hotels Plc in favour of our request precipitated by losses incurred during the COVID-19 pandemic and the depreciated forex situation at the time of repayment.

11.3 For the year ended 2021, the Company recognised profit from disposal of shares of N1.6b from the sale of 763,898,306 units of Transcorp Hotels Plc's ordinary shares at a price of N5.43.

12. Finance income

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Financial instruments measured at amortised cost				
Interest income				
Interest on debt instrument	23,063	-	-	-
Interest on loan	255,092	409,205	1,081,206	1,163,714
Interest on bank deposits	5,771	6,213	716	-
Total finance income	**283,926**	**415,418**	**1,081,922**	**1,163,714**

13 Finance cost

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Interest on loans and borrowings	12,310,625	14,889,299	4,486,583	3,291,716
Lease liabilities interest	13,977	-	13,977	-
Net foreign exchange losses on foreign currency borrowings	3,002,720	1,904,485	-	-
Total finance costs	**15,327,322**	**16,793,784**	**4,500,560**	**3,291,716**
Finance cost for Cashflow	**15,313,345**	**16,793,784**	**4,486,583**	**3,291,716**

14 Employee costs

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Direct employee costs				
Wages and salaries	2,247,436	2,068,293	-	-
Pension costs	70,717	164,769	-	-
	2,318,153	**2,233,062**	**-**	**-**
Indirect employee costs				
Wages and salaries	3,001,937	2,084,257	293,784	211,100
Pension costs	101,280	49,810	14,325	12,139
	3,103,217	**2,134,067**	**308,109**	**223,239**
Total employee costs				
Direct employee costs	2,318,153	2,233,062	-	-
Indirect employee costs	3,103,217	2,134,067	308,109	223,239
	5,421,370	**4,367,129**	**308,109**	**223,239**

Average number of persons employed during the year

		Group		Company
	2021	2020	2021	2020
	Number	Number	Number	Number
Managerial	44	56	6	6
Senior staff	196	256	9	6
Others	1,134	646	5	3
	1,374	**958**	**20**	**15**

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

		Group		Company
	2021	**2020**	**2021**	**2020**
	Number	**Number**	**Number**	**Number**
N500,000 - N1,000,000	478	241	0	0
N1,000,000 - N2,000,000	112	405	1	3
N2,000,001 - N4,000,000	471	248	2	3
N4,000,001 - N5,000,000	138	8	1	2
N5,000,000 and above	175	56	16	7
	1374	**958**	**20**	**15**

Staff costs for the above persons (excluding Directors):

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Salaries and wages	5,249,373	2,666,168	293,784	211,100
Pension cost	171,997	164,350	14,325	12,139
	5,421,370	**2,830,518**	**308,109**	**223,239**

14.1 Compensation of Managers

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Salaries and short-term employee benefits	496,856	483,395	58,757	88,297
Defined contributions	28,230	25,749	2,865	4,116
	525,086	**509,144**	**61,622**	**92,413**

Managers exclude 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
	2021	**2020**	**2021**	**2020**
	Number	**Number**	**Number**	**Number**
Less than N10,000,000	22	24	-	-
Over N10,000,000	23	56	6	6
	45	**80**	**6**	**6**

14.2 Termination/Retirement Benefits

In 2020, following the completion of the restructuring exercise for Transcorp Hilton's workforce and the renegotiation of the Collective Bargaining Agreement (CBA), it necessitated the provision of the retirement benefits for the remaining staff alongside the termination benefit cost paid to the exited staff.

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Termination/retirement benefits	-	**2,238,174**	-	-

15. Administrative expenses

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Employee costs (Note 14)	3,103,217	2,134,067	308,109	223,239
Depreciation (Note 20)	2,639,855	2,760,328	7,359	7,397
Depreciation of Right of use Assets	57,515	58,056	57,515	58,056
Amortisation of Computer Software (Note 24)	24,971	24,593	-	-
Auditors renumeration	134,291	91,880	29,500	27,200
Marketing, sales and advertisement	666,364	135,077	14,077	4,799
Bank charges	876,167	241,398	31,544	12,765
Group services and benefits	417,666	192,947	-	-
Professional fees	1,236,971	398,981	597,549	214,948
Donations	3,786	1,426	-	-
Directors renumeration	737,235	573,168	283,005	245,995
Corporate social responsibility	509,411	292,394	-	-
Management fees*	1,219,071	496,377	-	-
Insurance	437,160	444,154	17,394	23,675
Telecommunications and IT expenses	158,994	118,332	-	-
Rents and rates	24,572	5,105	1,008	-
Energy cost	1,700,122	979,686	24,795	12,233
Repairs and maintenance	1,030,749	612,689	12,562	9,735
License and fees	172,894	29,738	35,195	29,738
Security	319,220	141,915	1,627	1,440
Travel, logistics and accommodation	442,772	239,274	90,410	88,037
Bad debt written off	861,524	46,649	-	-
Medical	93,671	296,429	-	-
Printing and Stationary	42,242	9,524	-	-
Other administrative expenses	1,794,521	1,059,236	180,971	227,831
Total administrative expenses	**18,704,961**	**11,383,423**	**1,692,620**	**1,187,088**

*Management fees are made up of Base Management Fees payable to Hilton International at 1.5% of Revenue, Incentive Fee based on an accelerated rate schedule applied on the Gross Operating Profit. These fees are specified in the Executed Management Agreement between Transcorp Hotels Plc and Hilton International for the provision of Hotel Management and Other Related Services to the Transcorp Hotels Plc.

16. Impairment loss/(gain) on financial assets

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Trade receivables (Note 29.5)	182,795	3,960,738	-	-
Short term deposit (Note 7.1c)	-	(5,898)	-	(5,898)
Related party and other receivables (Note 7.1c)	-	-	-	(190,182)
Other write-off/(write-back)	-	1,180	-	(6,238)
	182,795	**3,956,020**	**-**	**(202,318)**

17 Income tax

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Current tax expense				
Current income/minimum tax charge	2,552,144	197,486	75,051	5,490
Tertiary education tax charged	715,259	409,470	-	-
Capital gain tax	-	197	-	-
	3,267,403	**607,153**	**75,051**	**5,490**
Tax on franked investment income	-	-	512,738	272,553
Deferred tax:				
Origination and reversing temporary differences	899,699	(2,790,670)	-	-
Tax expense/(credit) in the statement of profit or loss	**4,167,102**	**(2,183,517)**	**587,789**	**278,043**

Reconciliation of the tax expense

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Accounting profit before income tax	27,998,554	1,608,591	4,022,153	2,666,403
At Nigeria's statutory income tax rate of 30% (2020: 30%)	8,399,566	482,577	1,206,646	799,921
Tax effect of adjustments on taxable income				
Education tax	715,259	402,003	-	-
Capital gain tax	-	197	-	-
Non-deductible for tax purposes	572,618	188,859	-	-
Tax on franked investment income	512,738	-	512,738	272,553
Income not subjected to tax	(2,865,429)	(867,518)	(1,111,181)	(742,056)
Other non-deductible expenses	(3,167,651)	(2,389,635)	(20,414)	(52,375)
Income tax expense reported in profit or loss	**4,167,102**	**(2,183,517)**	**587,789**	**278,043**
Effective tax rate	15%	(136)%	15%	10%

17.1 Current tax payable

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
As of 1 January	1,268,091	1,538,799	218,525	229,428
Income tax expense during the year	3,267,403	607,153	75,051	5,490
Payment during the year:	(889,782)	(877,861)	(5,489)	(16,393)
As of 31 December	**3,645,712**	**1,268,091**	**288,087**	**218,525**

18. Deferred tax

Deferred tax relates to the following:

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Deferred tax liability	6,724,181	6,348,802	-	-
Deferred tax asset	(792,202)	(1,316,522)	-	-
Total net deferred tax liability	**5,931,979**	**5,032,280**	**-**	**-**

Reconciliation of deferred tax asset / (liability)

	Group		Company	
	Statement of financial position		Statement of profit or loss	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Accelerated depreciation for tax purposes	16,180,719	20,127,948	(3,947,229)	(285,303)
Unrealised FX losses	(977,666)	(571,529)	(406,137)	(678,427)
Expected credit losses of debt financial assets	(2,231,655)	(1,915,156)	(316,499)	(1,237,774)
Losses available for offsetting against future taxable income	(7,039,419)	(12,608,983)	5,569,564	(589,166)
	5,931,979	**5,032,280**	**899,699**	**(2,790,670)**

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 N43.3 billion and N7 billion as at 31 December, 2021 and 2020 respectively while deferred tax assets of N13.5 billion and N3.15 billion were not recognised for the year ended 31 December, 2021 and 2020 respectively.

19. Earnings/(Loss) 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
	2021	2020	2021	2020
Profit attributable to ordinary equity holders of the parent for basic earnings (N'000)	13,964,329	(862,036)	3,434,364	2,388,360
Average number of ordinary shares for basic EPS (thousands)	40,647,992	40,647,992	40,647,992	40,647,992
Basic Earnings/(Loss) per share (Kobo)	34	(2)	8	6
Basic Earnings/(Loss) per share (Kobo)	34	(2)	8	6

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, 2020	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)	-
At 31 December, 2020	**37,739,649**	**52,280,017**	**70,129,487**	**18,386,061**	**848,386**	**9,156,266**	**188,539,866**
Transfer of cost of assets from Transafam Power Liimted	1,784,600	2,748,017	109,199,600	85,766	8,100	-	113,826,083
Additions	-	155,794	4,704,440	393,307	119,587	10,135,489	15,508,617
Disposals	-	-	-	-	(105,227)	-	(105,227)
At 31 December, 2021	**39,524,249**	**55,183,828**	**184,033,527**	**18,865,134**	**870,846**	**19,291,755**	**317,769,339**
Accumulated depreciation							
At 1 January, 2020	-	3,880,914	19,418,914	3,749,484	601,224	-	27,650,536
Depreciation for the year	-	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**
Depreciation for the year	-	1,167,993	4,230,263	1,189,694	68,550	-	6,656,500
Disposals	-	0	0	-	(105,227)	-	(105,227)
Write-off	-	-	-	(628)	0	-	(628)
At 31 December, 2021	**-**	**6,145,602**	**26,989,303**	**6,200,850**	**616,967**	**-**	**39,952,722**
Carrying amount							
At 31 December, 2020	**37,739,649**	**47,302,408**	**47,370,447**	**13,374,277**	**194,742**	**9,156,266**	**155,137,789**
At 31 December, 2021	**39,524,249**	**49,038,226**	**157,044,224**	**12,664,284**	**253,879**	**19,291,755**	**277,816,617**

Reconciliation of property, plant and equipment - Company

	Buildings	Plant and machinery	Computer and office equipment	Motor vehicles	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
Cost						
At 1 January, 2020	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**
Additions	7,504	-	6,843	-	23,558	37,905
At 31 December, 2021	**36,366**	**8,771**	**80,555**	**15,553**	**23,558**	**164,803**
Depreciation						
At 1 January, 2020	28,801	2,994	59,184	8,545		99,524
Depreciation for the year	61	772	4,652	1,912		7,397
At 31 December, 2020	**28,862**	**3,766**	**63,836**	**10,457**	**-**	**106,921**
Depreciation for the year	313	769	4,437	1,840	-	7,359
Write off	-	-	(628)	-	-	(628)
At 31 December, 2021	**29,175**	**4,535**	**67,645**	**12,297**	**-**	**113,652**
Carrying amount						
At 31 December, 2020	-	5,005	9,876	5,096	-	19,977
At 31 December, 2021	**7,191**	**4,236**	**12,910**	**3,256**	**23,558**	**51,151**

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Depreciation is allocated as follows:				
Cost of sales	4,016,646	3,050,117	-	-
Administrative expenses	2,639,855	2,702,272	7,359	7,397
	6,656,501	**5,752,389**	**7,359**	**7,397**

As at 31 December, 2021, there is a negative pledge over the Group's property, plant and equipment and floating assets, given in relation to the Group's borrowings. (2020: Nil).

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

21 Right of Use Assets (Group as Lessee)	**Group**	**Company**
	Buildings	**Buildings**
	N '000	**N '000**
Cost		
At 1 January 2020	179,005	179,005
Additions	-	-
At 31 December 2020	**179,005**	**179,005**
Additions	**283,146**	**283,146**
At 31 December 2021	**462,151**	**462,151**
Depreciation		
At 1 January 2020	58,056	58,056
Depreciation	58,056	58,056
At 31 December 2020	**116,112**	**116,112**
Depreciation	**57,515**	**57,515**
At 31 December 2021	**173,627**	**173,627**
Carrying amount		
At 31 December 2020	**62,893**	**62,893**
At 31 December 2021	**288,524**	**288,524**

22 Investment properties

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
At 1 January	2,047,900	2,047,900	2,047,900	2,047,900
Net gain from fair value remeasurement	146,100	-	146,100	-
At 31 December	**2,194,000**	**2,047,900**	**2,194,000**	**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, 2021, 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 (2020: N20 million).

Reconciliation of investment property - Group and Company	**Investment property N'000**
Cost	
At 1 January, 2020	2,047,900
Fair value remeasurement	-
At 31 December, 2020	**2,047,900**
Fair value remeasurement gain	146,100
At 31 December, 2021	**2,194,000**

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

Valuation technique	**Significant unobservable inputs**	**Range (weighted average)**	
		2021	2020
Land - market comparison method (refer below)	Estimated rental value per sqm per meter	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

Reconciliation of goodwill - Group

	Goodwill
	N'000
Cost	
At 1 January, 2020	**30,934,143**
Additions on acquisition of a subsidiary	-
At 31 December, 2020	**30,934,143**
Additions on acquisition of a subsidiary	-
At 31 December, 2021	**30,934,143**
Accumulated impairment losses	
At 1 January, 2020	-
Impairment losses for the year	-
At 31 December, 2020	**-**
Impairment losses for the year	-
At 31 December, 2021	**-**
Carrying amount	
At 31 December, 2020	**30,934,143**
At 31 December, 2021	**30,934,143**

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

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	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, 2021, 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, N129,532,752,000 as at 31 December 2021, 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 15.5% (2020: 16%) and cash flows beyond the five-year period are extrapolated using a 3.5% growth rate (2020: 2.5%) that is the same as the long-term average growth rate for the power industry. It was concluded that the recoverable amount exceeded the carrying amount N34bn. As a result of this analysis, no impairment charge has been recognised by management.

Transcorp Hotels Plc CGU

In assessing goodwill for impairment, the Group compared the recoverable amount of the net assets of the Cash Generating Unit (CGU) to its respective carrying amounts. Recoverable amount has been determined based on the fair value of Net Assets less costs of disposal.

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 2021, the fair values of the Property. Plant and Equipment (PPE) of Transcorp Hotel Plc has been determined by Mr.Chukwudi Ubosi of Ubosi with while the fair value of the other assets and liabilities have been determined based on the carrying amounts, which are same as the fair FRC/2014/NIES0000003997 Eleh & Co. Estate Surveyors & Valuers, an accredited independent valuer, values.

The following factors were considered in valuing the assets f 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 obsolesnce of the item;
- work load to which the item is subjected;
- current cost of the item including installation, freight and insurance charges where applicable.

The recoverable amount N74,787,893,571 (2020:N137,764,764,425) exceeded the carrying amount N63,557,940,365 (2020:N72,321,095,215).

Based on the results of the impairment evaluation described above, the recorded goodwill was not impaired as the recoverable amount of the subsidiary exceeded the carrying value. No impairment charge has been recognised by Management.

Analysis of values	**Transcorp Hotels Plc**	
	2021	**2020**
The fair value has been determined as follows:	**N'000**	**N'000**
Net Fair Value	**103,366,726**	**173,443,110**
% Holding by TNC in THP – 76.16% (2020:83.62%)	78,724,099	145,015,783
Less: Costs of disposal at 5%	(3,936,205)	(7,250,789)
Fair value of net assets less cost of disposal	74,787,894	137,764,994
Recoverable amount attributable to TNC	**74,787,894**	**137,764,764**
Carrying Value:		
Net asset as at 31 December	62,220,227	61,102,909
Goodwill as at 31 December	21,232,953	21,232,953
	83,453,180	**82,335,862**
% Holding by TNC in THP – 76.16% (2020:83.62%)	63,557,942	72,321,095

The Board has estimated the costs of disposal to be 5% (2020:5%) of the fair value of the assets of the subsidiary.

Below is a sensitivity analysis to compare the recoverable value when the cost of disposal is 2% above or below the 5% used in the computation above.

Transcorp Hotels Plc

	2021	2021	2020	2020
	N'000	N'000	N'000	N'000
	Increase	Decrease	Increase	Decrease
Net Fair Value of Assets	78,724,099	78,724,099	145,015,783	145,015,783
Cost of Disposal	(5,510,687)	(1,574,482)	(10,151,105)	(4,350,473)
Recoverable Amount	**73,213,412**	**77,149,617**	**134,864,678**	**140,665,310**

24. Intangible assets

Intangible assets - Group

	Computer software	OPL, exploration and evaluation	Exploration & evaluation expenditure	Total
	N'000	N'000	N'000	N'000
Cost				
At 1 January, 2020	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**
Additions	68,748	-	-	68,748
At 31 December, 2021	**395,241**	**5,075,818**	**5,031,292**	**10,502,351**
Amortisation and impairment				
At 1 January, 2020	(187,070)	-	-	(187,070)
Amortisation	(24,593)	-	-	(24,593)
At 31 December, 2020	(211,663)	-	-	(211,663)
Amortisation	(24,973)	-	-	(24,973)
At 31 December, 2021	**(236,636)**	**-**	**-**	**(236,636)**
Carrying amount				
At 31 December, 2020	**114,830**	**5,075,818**	**5,031,292**	**10,221,940**
At 31 December, 2021	**158,605**	**5,075,818**	**5,031,292**	**10,265,715**

Intangible assets - Company

	Computer software	Oil prospecting license (OPL)	Total
	N'000	N'000	N'000
Cost			
At 1 January, 2020	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2020	**12,966**	**5,075,818**	**5,088,784**
Additions	-	-	-
At 31 December, 2021	**12,966**	**5,075,818**	**5,088,784**
Amortisation			
At 1 January, 2020	(12,966)	-	(12,966)
Amortisation	-	-	-
At 31 December, 2020	**(12,966)**	**-**	**(12,966)**
Amortisation	-	-	-
At 31 December, 2021	**(12,966)**	**-**	**(12,966)**
Carrying amount			
At 31 December, 2020	**-**	**5,075,818**	**5,075,818**
At 31 December, 2021	**-**	**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 activites were capitalised during the year. Mining is projected to commence December 2023.

25. Investment in financial assets

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Equity investments at fair value through other comprehensive income				
Investments, excluding debt instruments, held by the Group which measured at fair value through other comprehensive income are as follows:				
At 1 January	4,175,603	3,450,970	4,175,603	3,450,970
Movement in other comprehensive income for current period	(287,642)	724,633	(287,642)	724,633
	3,887,961	**4,175,603**	**3,887,961**	**4,175,603**

Financial assets held to maturity- debt instrument				
Opening balance	-	-	-	-
Adddition	1,500,000	-	-	-
Interest earned on debt instrument	23,063			
	1,523,063	**-**	**-**	**-**
Total investment in financial assets	**5,411,024**	**4,175,603**	**3,887,961**	**4,175,603**
Split between non-current and current portions				
Non-current assets	**5,411,024**	**4,175,603**	**3,887,961**	**4,175,603**

Investments held at reporting date - Group

	Statement of Financial Position		**Statement of Profit or Loss and Other Comprehensive income**	
	Fair value	**Fair value**	**Fair value**	**Fair value**
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N' 000**	**N' 000**
At 1 January	4,175,603	3,450,970	-	-
Additions	1,500,000	-	-	-
Fair value gain/(loss) on investment in equity instruments	(287,642)	724,633	(287,642)	724,633
Dividend received on equity instrument	-	-	238,853	421,250
Interest earned on debt instrument	23,063	-	23,063	-
Statement of Financial Position	**5,411,024**	**4,175,603**	**-**	
Statement of Profit or Loss and Other Compehensive income			**(25,726)**	**1,145,883**

Investments held at reporting date - Company

	Statement of Financial Position		**Statement of Profit or Loss and Other Compehensive income**	
	Fair value	**Fair value**	**Fair value**	**Fair value**
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Opening balance	4,175,603	3,450,970	-	-
Fair value gain/(loss) on investment in equity instruments	(287,642)	724,633	(287,642)	724,633
Dividend received on equity instrument	-	-	238,853	421,250
Statement of Financial Position	**3,887,961**	**4,175,603**		
Statement of Profit or Loss and Other Compehensive income			**(48,789)**	**1,145,883**

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.

26 Borrowings

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Held at amortised cost				
Term loan	78,917,052	82,979,922	35,816,212	40,760,508
Bonds	823,078	4,485,756	-	-
Bank overdraft	3,466,802	-	1,685,577	-
$215 million acquisition loan	22,878,812	31,654,305	-	-
	106,085,744	119,119,983	37,501,789	40,760,508

Financial liabilities: Interest-bearing loans and borrowings

N17 billion consolidated term loan	19,420,606	17,106,183	19,420,606	17,106,183
Other term loans	16,401,208	23,654,325	16,395,606	23,654,325
Short term loan	-	62,835	-	-
N2 billion bank loan	-	2,056,219	-	-
N10 billion 7- Year bond	823,078	4,485,756	-	-
N12.7 billion loan	11,666,034	-	-	-
N10 billion loan	9,230,171	8,925,255	-	-
N5 billion loan	-	193,817	-	-
$5 million loan	-	2,181,126	-	-
N300 million loan	-	302,979	-	-
$1 million loan	-	459,950	-	-
$2 million loan	-	966,497	-	-
Bank Overdraft	3,466,802	1,304,572	1,685,577	-
N1 billion loan	-	1,133,065	-	-
Term loan	24,087,412	33,347,416	-	-
N200 million loan	201,382	205,335	-	-
$215 million acquisition loan	20,789,051	22,734,653	-	-
Total interest-bearing loans and borrowings	**106,085,744**	**119,119,983**	**37,501,789**	**40,760,508**
Total current interest-bearing loans and borrowings	**55,387,033**	**15,917,655**	**23,842,510**	**6,688,079**
Total non-current interest-bearing loans and borrowings	**50,698,711**	**103,202,328**	**13,659,279**	**34,072,429**

Total interets-bearing loans and borrowings

As at 1 January	119,119,983	113,856,142	40,760,508	19,120,196
Additions	34,209,847	62,164,565	-	25,680,834
Effective interest	12,310,625	14,889,299	4,486,583	3,291,716
Principal repayments	(49,346,197)	(60,199,546)	(5,101,688)	(4,040,522)
Interest repayments	(16,678,036)	(13,494,962)	(4,329,191)	(3,291,716)
Exchange (gain)/loss	3,002,720	1,904,485	-	-
	102,618,942	**119,119,983**	**35,816,212**	**40,760,508**
Overdraft (Note 31)	**3,466,802**	**-**	**1,685,577**	**-**
	106,085,744	**119,119,983**	**37,501,789**	**40,760,508**

Qualitative description of interest bearing loans and borrowing
Term loan
These represent term loans with a average tenor of 10 years and an average interest rate of 12%.

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 12%.

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

N12.75 billion long term loan
N12.75 billion term loan with a tenor of 8 years and 24 months moratorium and at interest rate of 10%. The loan is secured by a guarantee from Transnational Corporation of Nigeria Plc, the parent of the Company.

N10 billion loan
N10 billion term loan with a tenor of 7 years and 24 months moratorium and at interest rate of 10%. The loan is secured by a guarantee from Transnational Corporation of Nigeria Plc, the parent of the Company.

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

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

$215 million acquisition loan obtained by the Company for the purpose of acquiring 100% interest in Ughelli Power Plc. The balance loan was due for repayment December 2021. However, the balance of the loan was restructured during the year to 2023 with a floating interest rate of 90 days. LIBOR + 6.5%

Transcorp Power Limited's Term loans are facilities obtained by the Company. These facilities are repayable by instalments at various dates between 2020 and 2030 with interest rate ranging from 11% to 15.5%.

N200 million loan
N200 million term loan with 365 days tenor and interest rate of 7.5%.

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:

Group

Financial liabilities

	Carrying amount		Fair value	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	**106,085,744**	**119,119,983**	**108,330,506**	**121,640,548**

Company

Financial liabilities

	Carrying amount		Fair value	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	**37,501,789**	**40,760,508**	**36,601,746**	**39,782,256**

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 value 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
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
As at 1 January	27,453,129	-	-	-
Investment in Afam Genco (Note 27.1)	-	27,453,129	-	-
Transfer from Investment in subsidiaries (Note 27.2)	-	-	-	-
Transfer from Transafam			-	-
Additional investment	-	-	-	-
Elimination upon Business acquisition	(27,453,129)	-	-	-
	-	**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 (Transafam Power Ltd) on 28 November 2020 officially took ownership of the Afam GenCo following a handover ceremony hosted by the Federal Government of Nigeria. Although, the official ownership takeover took place in 2020, the administrative handover was not finalised until 10 March 2021.

28 Inventories

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Finished goods	-	194,732	-	-
Engineering spares	4,185,754	3,862,227	-	-
Guest supplies	193,440	40,423	-	-
Fuel	84,486	260,496	-	-
	4,463,680	**4,357,878**	**-**	**-**

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 N43.1 billion (2020: N33.76 billion).

29 Trade and other receivables

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Receivables from third-party customers	67,981,453	78,635,723	1,134,253	890,004
Due from related companies and other receivables	-	-	34,111,845	15,872,332
	67,981,453	**78,635,723**	**35,246,098**	**16,762,336**

29.1 Receivables from third-party customers

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Trade receivables	70,226,191	81,888,581	-	-
Other receivables	4,724,712	3,530,543	1,701,339	1,457,090
Allowances for expected credit losses	(6,969,450)	(6,783,401)	(567,086)	(567,086)
	67,981,453	**78,635,723**	**1,134,253**	**890,004**

29.2 Due from related companies and other receivables

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Due from related companies and other receivables (Note 41)	-	-	36,961,075	18,721,562
Allowances for expected credit losses on due from related parties	-	-	(2,849,230)	(2,849,230)
	-	**-**	**34,111,845**	**15,872,332**

29.3 Total net trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Total trade and other receivables	74,950,903	85,419,124	38,662,414	20,178,652
Total allowance on expected credit loss on trade and other receivables	(6,969,450)	(6,783,401)	(3,416,316)	(3,416,316)
	67,981,453	**78,635,723**	**35,246,098**	**16,762,336**

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 7.

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	**2021**	**2021**	**2020**	**2020**
	Estimated gross carrying amount	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**
				(Lifetime
Expected credit loss rate:				
	N'000	**N'000**	**N'000**	**N'000**
Less than 30 days past due: 4.0% (2020: 0.8%)	5,915,556	134,247	5,915,556	100,290
30 - 60 days: 3.1% (2020: 1.4%)	6,573,909	179,691	6,573,909	147,923
61 - 90 days: 6.7% (2020: 2.6%)	4,973,118	274,520	4,973,118	168,977
More than 90 days: 2.6% (2020: 5.8%)	52,763,608	6,380,992	64,425,998	6,366,211
Total	**70,226,191**	**6,969,450**	**81,888,581**	**6,783,401**

29.5 Reconciliation of loss allowances

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

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Opening balance in accordance with IFRS 9				
As at 1 January	6,786,655	2,830,635	-	-
Provision for expected credit losses	182,795	3,956,020	-	-
Write-off	-	-	-	-
Closing balance	**6,969,450**	**6,786,655**	**-**	**-**

30 Prepayments and other assets

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Maintenance contracts	317,258	103,957	-	-
Insurance and permits	97,251	395,758	-	-
Prepaid loan management fees (BOI Loans)	470,682	249,832	-	-
Service charge advance	394,626	-	-	-
Other prepaid expenses	341,194	348,644	72,324	60,083
	1,621,011	**1,098,191**	**72,324**	**60,083**
Current	1,582,608	1,061,316	33,921	23,208
Non-current	38,403	36,875	38,403	36,875
	1,621,011	**1,098,191**	**72,324**	**60,083**

31 Cash and cash balances

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Cash on hand	31,555	12,984	19,362	102
Cash at bank	10,982,613	3,213,283	35,068	629,659
Short-term deposits	3,217,480	543,074	438,825	542,852
	14,231,648	**3,769,341**	**493,255**	**1,172,613**

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the followins as at 31 December

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Cash on hand and at bank	11,014,168	3,226,267	54,430	629,761
Short-term deposits	3,217,480	543,074	438,825	542,852
	14,231,648	**3,769,341**	**493,255**	**1,172,613**
Bank overdraft (Note 26)	(3,466,802)	-	(1,685,577)	-
	10,764,846	**3,769,341**	**(1,192,322)**	**1,172,613**

32 Issued capital and reserves

32.1 Share capital

		Group		Company
Ordinary shares authorised	**2021**	**2020**	**2021**	**2020**
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**

32.2 Share premium

Premium arising on issue of equity shares	**6,249,871**	**6,249,871**	**6,249,871**	**6,249,871**

33. Transafam Acquisition and Consolidation Adjustments

33.1 Retained Earnings Adjustment-Transafam Power Limited

This represents Afam Power Plc retained earnings acquired by Transafam Power Limited on the purchase of the Company.

33.2 Bargain Purchase on Consolidation of Afam

N4.5bn represents bargain purchase consideration on the consolidation of Afam Power Plc by Transafam Power Limited. This was derived from the excess of the fair value of the net assets (N36bn) of the acquired Company over the consideration(N31.5bn) paid by Transafam Power Limited. In line with IFRS 3, it has been taken directly into the profit or loss account.

AFAM -Bargain Purchase Analysis

	Group 2021 N'000
Fair value of property,plant and equipment	34,750,900
NBV of property,plant and equipment	(14,829,024)
Equity brought forward	14,770,857
Profit in January and February 2021	693,515
Asset not taken over	620,021
Net identifiable assets at acquisition	**36,006,269**
Consideration	(31,500,000)
Bargain Purchase recognised in profit or loss statement	**4,506,269**

33.3 Transfer of other reserve- Transafam Power Limited

This represents N24.76bn government funding to Afam Power Plc acquired on the purchase of the Company by Transafam Power Limited.

34 Deferred income

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
At 1 January	1,305,535	1,281,976	-	-
Received during the year	1,424,170	277,047	-	-
Released to the statement of profit or loss	(273,168)	(253,488)	-	-
	2,456,537	**1,305,535**	**-**	**-**
Current	450,659	252,796	-	-
Non-current	2,005,878	1,052,739	-	-
	2,456,537	**1,305,535**	**-**	**-**

Transcorp Hotel Plc obtained a loan 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 interest rate on the loan 10% was below the market loan rate. The fair value and the deferred income on the loan was recognized initially on the loan drawn-down date.The deferred income was subsequently amortized on a straight line basis over the tenor of the loan. There were no unfulfilled conditions relating to the loan as at the reporting date. The opening deferred income was N1.31 bilion, N1,42 billion was added from the new N12.75bn BOI loan during the year and N273 million was credited to other operating income in the statement of profit or loss for the year ended 31 December 2021.

35 Contract liabilities

		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Summary of contract liabilities				
Short-term advances for hospitality services (Note 35.1)	59,155	189,118	-	-
Key money from Hilton (Note 35.2)	2,427,035	2,427,035	-	-
	2,486,190	**2,616,153**	**-**	**-**
Reconciliation of contract liabilities				
As at 1 January	2,616,153	2,617,369	-	-
Deferred during the year	-	156,754	-	-
Recognised as revenue during the year	(129,963)	(157,970)	-	-
	2,486,190	**2,616,153**	**-**	**-**
Split between non-current and current portions				
Non-current liabilities	2,333,370	2,445,163	-	-
Current liabilities	152,820	170,990	-	-
	2,486,190	**2,616,153**	**-**	**-**

35.1 Short-term advances for hospitality services

This relates to consideration paid by customers before the Hotel transfers goods or services. Contract liabilities are recognised as revenue when the Hotel performs its obligations under the contract.

		Group		Company
	2021	2020	2021	2020
Reconciliation of short-term advances	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	18,128	32,327	-	-
Deferred during the year	40,990	18,128	-	-
Recognised as other operating income during the year	(18,128)	(32,327)	-	-
At 31 December	**40,990**	**18,128**	**-**	**-**
Current	**40,990**	**18,128**	**-**	**-**

35.2 Key money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed $10million towards the refurbishment of the hotel. The contribution is referred to as Key money. It does not attract any interest, and it is not repayable by the Company unless the contract is terminated before the end of the contract period. The Key money from Hilton International LLC will be notionally amortised over the contract period on a straight-line basis to other income. The outstanding balance of N2.45bn relates to the unamortised portion of the key money as at 31 December 2021.

		Group		Company
	2021	2020	2021	2020
Reconciliation of Key money from Hilton	**N'000**	**N'000**	**N'000**	**N'000**
At 1 January	2,598,025	2,755,995	-	-
Received during the period	-	-	-	-
Recognised as revenue during the year	(152,825)	(157,970)	-	-
At 31 December	**2,445,200**	**2,598,025**	**-**	**-**

36 Trade and other payables

		Group		Company
	2021	2020	2021	2020
Financial instruments:	**N'000**	**N'000**	**N'000**	**N'000**
Trade payables	115,355,057	71,092,555	-	-
Due to related companies and other payables (Note 40)	-	-	8,264,883	5,459,414
Accrued liabilities	5,465,343	5,016,864	209,323	4,151,299
Unclaimed dividend	1,205,545	918,624	1,058,528	918,624
Dividend payable (Note 36.1)	4,542,263	2,582,674	-	-
	126,568,208	**79,610,717**	**9,532,734**	**10,529,337**
Non-financial instruments:				
Advanced deposits	174,192	152,033	-	-
VAT	61,681	429,568	322,721	72,396
Other payables* (Notes 36.3)	8,273,168	-	58,025	-
	8,509,041	**581,601**	**380,746**	**72,396**
Total Trade and other payables	**135,077,249**	**80,192,318**	**9,913,480**	**10,601,733**

36.1 Dividend payable				
As at 1 January	2,582,674	2,474,314	-	-
Appropriation during the year	5,352,544	3,037,132	406,480	406,480
Dividend paid	(3,392,955)	(2,928,772)	(406,480)	(406,480)
	4,542,263	**2,582,674**	**-**	**-**

Cash dividend of 2 kobo per ordinary share was declared in 2021 (2020: 1 kobo). The dividend declared was approved during the Company's AGM and paid in 2021.

For Transcorp Power Limited, cash dividend of N251.88 was declared in 2021 (2020: N153.84) while Transcorp Hotel Plc declared 7kobo in 2021 (2020: Nil).

36.2 Trade payables are non-interest bearing and are normally settled on 60-day terms.

36.3 Other payables for Company represents deposit for investment in TransAfam yet to be alloted as at 31 December 2021.

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.

37 Lease liabilities

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	-	-	-	-
Additions	283,146	-	283,146	-
Interest for the year	13,977	-	13,977	-
	297,123	**-**	**297,123**	**-**

This relates to the lease of the office building at 38 Glover Road Ikoyi, Lagos.

38 Deposit for shares

		Group		Company
	2021	**2020**	**2021**	**2020**
	N'000	**N'000**	**N'000**	**N'000**
Deposit for shares-THIL (Note 38.1)	2,410,000	2,410,000	-	-
Deposit for shares-TAPL (Note 38.2)	10,525,000	10,525,000	-	-
	12,935,000	**12,935,000**	**-**	**-**

Deposit for shares-THIL Note 38.1

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.

Deposit for shares-TAPL Note 38.2

Deposit for shares relates to other parties' contribution to Transafam Power Limited(TAPL) towards the acquisition cost for the Afam Power Genco.

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. As at December 31 2021, the Group had no commitments (2020:Nil).

Contingent Liability

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 the likelihood ot the claims being against the Group is remote for this reason, no loss or cost is anticipated. 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.

Related party balances

`		Group		Company
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Amount owed to related parties				
Transcorp Power Limited	-	-	8,264,883	5,459,414
	-	-	-	-
	-	**-**	**8,264,883**	**5,459,414**
Amount owed by related parties				
Afam Power Plc	-	-	1,863,537	-
Teragro Commodities Limited	-	-	1,751,457	1,758,067
Transcorp OPL 281 Limited	-	-	9,673,657	4,333,418
Transcorp Hotels Plc	-	-	5,058,564	8,007,598
Transcorp Hotels Calabar Limited	-	-	35,373	24,182
Transafam Power Ltd	-	-	18,385,000	603,129
Transcorp Energy Limited	-	-	193,487	3,995,168
	-	**-**	**36,961,075**	**18,721,562**

Terms and conditions of transactions with related parties

All transactions are made on terms equivalent to those that prevail in arm's length transactions. 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.For the year ended 31 December 2021, the Company recognised N2.8bn (2020:N2.8bn) as provision for expected credit losses relating to amounts owed by related parties.

Related party borrowings

Included in the amount due from OPL 281 Limited is N7.4b loan at 12%

Included in the amount due from Transcorp Hotels Plc is N308m loan at 11.5%

Other terms

The Company entered into a Technical and Management services agreement with Transcorp Hotels Plc, Transcorp Power Limited, and Transafam Power Limited.

40.1 Related party balances

	Group		Company	
	2021	2020	2021	2020
	N'000	N'000	N'000	N'000
Compensation to directors				
Salaries and other short-term employee benefits	685,765	508,439	261,610	227,628
Defined contributions	17,670	14,635	6,195	5,167
Fees and allowances	33,800	50,094	15,200	13,200
	737,235	**573,168**	**283,005**	**245,995**
Amount paid to the highest paid director (excluding pension contributions)	**90,000**	**90,000**	**90,000**	**90,000**
Chairman's emoluments				
Fees	1,200	1,200	1,200	1,200
Benefits in kind	64,878	64,878	64,878	64,878
	66,078	**66,078**	**66,078**	**66,078**

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	
	2021	2020	2021	2020
	Number	Number	Number	Number
Less than N10,000,000	23	17	-	-
Over N10,000,000	12	11	8	8
	35	**28**	**8**	**8**

41. Securities Trading Policy

The Company's Code of Conduct contains the Securities Trading Policy. It prohibits employees and Directors from insider trading, dealings and stock tipping during closed periods. The Capital Market, Board and Management are regularly notified of closed periods and no insider trading was recorded during the period under review.

42. Subsequent Events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Group and Company as at 31 December 2021 that have not been adequately provided for or disclosed in these financial statements.

43 Impact of Coronavirus (Covid-19) Pandemic

Transcorp's revenue is generated mostly from two key sectors; Power, which contributes about 81% of the Group's Revenue; and Hospitality, which contributes about 19% 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.

Based on management's assessments, Transcorp Power Ltd.'s and Afam Power Plc operations are not materially affected by the negative impact of the COVID-19 pandemic. The two power companies made N23.1bn and N1.9bn profit before tax in 2021.

There was easing of lock-down as we entered 2021, with airports opening and international customers coming in small numbers. Businesses re-opened and this led to increased business for Transcorp Hotel. Transcorp Hotel closed the year 2021 with revenue of N21.7 billion against N10.2 billion recorded in 2020. The Hotel returned to profitability in Q3 2021, ending the year with a profit of N1.1bn compared to a loss of N8.7bn in 2020.

44. Restatement of Prior Financial Statements.

This prior year restatement relates to N18,984,212,521.25 correction(claw back) of income recognised in 2015 - 2018 arising from the overbilling of the Nigerian Bulk Electricity Trading Company (NBET) using incorrect gas cost rate in the determination of tariffs used in invoicing.

NBET is invoiced for the energy and capacity transferred to the grid based on the Multi-Year Tariff Order 2 (MYTO) template issued by the Nigerian Electricity Regulatory Commission that guides the generation of the energy sales rate in the industry.

The error was due to the use of a gas cost rate from a single vendor rather than using a blended gas cost rate that would reflect the actual gas costs incurred by the company in the determination of the energy tariffs rate with which NBET was to be invoiced for the period

The correction of the error has been effected retrospectively and has no tax implicatioon as the company was under pioneer holiday during the period.

Statement of financial position

		Impact of correction of error	
31 December 2019 **In thousands of naira**	**As previously reported**	**Adjustments**	**As restated**
	N' 000	**N' 000**	**N' 000**
Property, plant and equipment	158,473,054	-	158,473,054
Right-of-use assets	120,949	-	120,949
Investment properties	2,047,900	-	2,047,900
Goodwill	30,934,143	-	30,934,143
Other intangible assets	10,234,090	-	10,234,090
Investments in subsidiaries	-	-	-
Investment in financial asset	3,450,970	-	3,450,970
Prepayments and other assets	125,431	-	125,431
Deferred tax asset	78,711	-	78,711
Deposit for investment	-	-	-
Non-Current Assets	**205,465,248**	**-**	**205,465,248**
Inventories	4,438,996	-	4,438,996
Trade and other receivables	97,565,798	(18,984,213)	78,581,585
Prepayments and other assets	720,513	-	720,513
Cash and bank balances	4,941,953	-	4,941,953
Current Assets	**107,667,260**	**-**	**88,683,047**
Total assets	**313,132,508**	**-**	**294,148,295**
Borrowings	92,222,833	-	92,222,833
Deposit for shares	2,410,000	-	2,410,000
Contract Liabilities	2,617,369	-	2,617,369
Deferred income	1,073,534	-	1,073,534
Deferred tax liabilities	7,901,660	-	7,901,660
Non-Current Liabilities	**106,225,396**	**-**	**106,225,396**

	N' 000	N' 000	N' 000
Trade and other payables	74,788,170	-	74,788,170
Borrowings	21,633,309	-	21,633,309
Contract Liabilities	-	-	-
Deferred income	208,442	-	208,442
Lease Liabilities	-	-	-
Income tax payable	1,538,799	-	1,538,799
Current Liabilities	98,168,720	-	98,168,720
Total liabilities	**204,394,116**	**-**	**204,394,116**
Equity			
Share capital	20,323,996	-	20,323,996
Share premium	6,249,871	-	6,249,871
Other reserves	1,257,398	-	1,257,398
Retained earnings (Restated)	39,199,021	(9,662,964)	29,536,057
Non-controlling interest	41,708,106	(9,321,249)	32,386,857
Total equity	**108,738,392**	**(18,984,213)**	**89,754,179**

		Impact of correction of error	
31 December 2020	**As previously reported**	**Adjustments**	**As restated**
In thousands of naira			
	N' 000	**N' 000**	**N' 000**
Property, plant and equipment	155,137,789	-	155,137,789
Right-of-use assets	62,893	-	62,893
Investment properties	2,047,900	-	2,047,900
Goodwill	30,934,143	-	30,934,143
Other intangible assets	10,221,940	-	10,221,940
Investments in subsidiaries	-	-	-
Investment in financial asset	4,175,603	-	4,175,603
Prepayments and other assets	36,875	-	36,875
Deferred tax asset	1,316,522	-	1,316,522
Deposit for investment	27,453,129	-	27,453,129
Non-Current Assets	**231,386,794**	**-**	**231,386,794**
Inventories	4,357,878	-	4,357,878
Trade and other receivables	97,619,936	(18,984,213)	78,635,723
Prepayments and other assets	1,061,316	-	1,061,316
Cash and bank balances	3,769,341	-	3,769,341
Current Assets	**106,808,471**	**(18,984,213)**	**87,824,258**
Total assets	**338,195,265**	**(18,984,213)**	**319,211,052**

Borrowings	103,202,328	-	103,202,328
Deposit for shares	12,935,000	-	12,935,000
Contract Liabilities	2,445,163	-	2,445,163
Deferred income	1,052,739	-	1,052,739
Deferred tax liabilities	6,348,80	-	6,348,802
Non-Current Liabilities	**125,984,032**	**-**	**125,984,032**
	N' 000	N' 000	N' 000
Trade and other payables	80,192,318	-	80,192,318
Borrowings	15,917,655	-	15,917,655
Contract Liability	170,990	-	170,990
Deferred income	252,796	-	252,796
Lease Liabilities	-	-	-
Income tax payable	1,268,091	-	1,268,091
Current Liabilities	**97,801,850**	**-**	**97,801,850**
Total liabilities	**223,785,882**	**-**	**223,785,882**
Equity			
Share capital	20,323,996	-	20,323,996
Share premium	6,249,871	-	6,249,871
Other reserves	1,982,031	-	1,982,031
Retained earnings (Restated)	38,283,220	(9,662,964)	28,620,256
Non-controlling interest	47,570,265	(9,321,249)	38,249,016
Total equity	**114,409,383**	**(18,984,213)**	**95,425,170**

The restatement did not have any effect on the Profit or Loss and Other Comprehensive Income.

CONSOLIDATED AND SEPARATE STATEMENTS OF VALUE ADDED

For the Year Ended December 2021

	Group				Company			
	2021 N'000	%	2020 N'000	%	2021 N'000	%	2020 N'000	%
Revenue	111,219,336		75,270,921		5,127,383		2,725,533	
Other operating income	2,644,042		2,594,879		4,006,028		3,053,642	
	113,863,378		**77,865,800**		**9,133,411**		**5,779,175**	
Bought in materials and services								
Foriegn	(40,864,000)		(35,976,728)		(166,401)		327,345	
Local	(17,513,143)		(15,418,598)		(71,315)		140,291	
Total Value added	**55,486,235**	**100**	**26,470,475**	**100**	**8,895,696**	**100**	**6,246,811**	**100**
Applied as follows:								
To pay Employees								
Salaries and other benefits	5,421,370	10	2,233,062	8	308,109	3	223,239	4
To pay Providers of Capital								
Finance costs	15,327,322	28	16,793,784	63	4,500,560	52	3,291,716	53
To pay to Government								
Income tax	3,267,403	6	607,153	2	587,789	6	278,043	4
To be retained in the business								
Depreciation of property, plant and equipment	6,656,501	12	5,752,389	22	7,359	-	7,397	-
Depreciation of right-of-use assets	57,515	-	58,056	-	57,515	-	58,056	1
Amortisation of intangible assets	24,973	-	24,593	-	-	-	-	-
Deferred tax	899,699	2	(2,790,670)	(11)	-	-	-	-
	7,638,688	**14**	**3,044,368**	**12**	**64,874**	**1**	**65,453**	**1**
Value retained								
Retained profit	13,964,329	25	(862,036)		3,434,364		2,388,360	
Non Controlling interest	9,867,123	18	4,654,144				-	
	23,831,452	**43**	**3,792,108**	**14**	**3,434,364**	**39**	**2,388,360**	**38**
	55,486,235	**100**	**26,470,475**	**100**	**8,895,696**	**100**	**6,246,811**	**100**

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY

For the Year Ended December 2021

GROUP

	2021	2020	2019	2018	2017
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets	327,740,628	231,386,794	205,465,248	204,543,332	191,432,812
Current assets	88,259,389	87,824,258	88,683,047	92,596,463	94,089,492
Total assets	**416,000,017**	**319,211,052**	**294,148,295**	**297,139,795**	**285,522,304**
Equity					
Issued capital	20,323,996	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves	26,451,986	1,982,031	1,257,398	1,522,942	2,777,781
Retained earnings	47,602,138	28,620,256	29,536,057	38,869,734	31,961,979
Equity attributable to equity holders of the parent	100,627,991	57,176,154	57,367,322	66,966,543	61,313,627
Non-controlling interests	45,664,290	38,249,016	32,386,857	37,573,202	34,394,170
Total equity	**146,292,281**	**95,425,170**	**89,754,179**	**104,539,745**	**95,707,797**
Liabilities					
Non-current liabilities	74,697,140	125,984,032	106,225,396	66,761,186	85,158,998
Current liabilities	195,010,596	97,801,850	98,168,720	125,838,864	104,655,509
Total liabilities	**269,707,736**	**23,785,882**	**204,394,116**	**192,600,050**	**189,814,507**
Total equity and liabilities	**416,000,017**	**319,211,052**	**294,148,295**	**297,139,795**	**285,522,304**

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

Revenue	111,219,336	75,270,921	76,345,549	104,162,785	80,284,959
Profit before taxation	27,998,554	1,608,591	7,897,624	22,402,087	12,305,547
Taxation	(4,167,102)	2,183,517	(4,192,560)	(1,775,420)	(1,698,271)
Profit after taxation	**23,831,452**	**3,792,108**	**3,705,064**	**20,626,667**	**10,607,276**

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY

COMPANY

	2021	2020	2019	2018	2017
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets	53,931,620	72,586,782	44,794,683	38,330,899	39,301,997
Current assets	35,773,274	17,958,157	15,436,092	27,294,875	23,800,774
Total assets	**89,704,894**	**90,544,939**	**60,230,775**	**65,625,774**	**63,102,771**
Equity					
Issued capital	20,323,996	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves	1,806,069	2,093,711	1,369,078	1,634,622	2,889,461
Retained earnings	13,324,479	10,296,595	8,314,716	8,799,221	6,143,818
Total equity	**41,704,415**	**38,964,173**	**36,257,661**	**37,007,710**	**35,607,146**
Liabilities					
Non-current liabilities	13,659,279	34,072,429	18,542,201	13,242,511	11,470,290
Current liabilities	34,341,200	17,508,337	5,430,913	15,375,553	16,025,335
Total liabilities	48,000,479	51,580,766	23,973,114	28,618,064	27,495,625
Total equity and liabilities	**89,704,894**	**90,544,939**	**60,230,775**	**65,625,774**	**63,102,771**

STATEMENT OF PROFIT OR LOSS

Revenue	5,127,383	2,725,533	3,173,773	8,899,967	5,121,992
Profit before taxation	4,022,153	2,666,403	1,241,401	5,705,517	2,567,737
Taxation	(587,789)	(278,043)	(506,467)	(1,094,518)	(698,533)
Profit after taxation	**3,434,364**	**2,388,360**	**734,934**	**4,610,999**	**1,869,204**

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING OF TRANSNATIONAL CORPORATION OF NIGERIA PLC

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting ("AGM") of Transnational Corporation of Nigeria Plc ("the Company") is scheduled to hold on Thursday, April 21, 2022, 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, 2021, together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To approve the appointments of the following persons, as Directors of the Company:
   3.1 Mallam Ahmadu Sambo;
   3.2 Mr. Victor Famuyibo; and
   3.3 Mr. Oliver Andrews.

4 To re-elect the following Directors retiring by rotation:
   4.1 Mr. Tony O. Elumelu CON.
   4.2 Mrs. Foluke Abdulrazaq; and
   4.3 Dr. Stanley Lawson.

5 To authorise the Directors to fix the remuneration of the Auditors for the 2022 financial year.

6 To disclose the remuneration of Managers of the Company.

7 To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

8. To consider and if thought fit to pass the following as ordinary resolutions:

   8.1 "That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganisation, reconstruction and such other business arrangement exercise or actions."

   8.2 "That subject to regulatory approval (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of the above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate."

9. To consider and if thought fit, pass the following as special resolutions:

   9.1 "That the name of the Company be and is hereby changed from "Transnational Corporation of Nigeria Plc" to "Transnational Corporation Plc."

   9.2 "That pursuant to Section 131 and other applicable provisions, if any, of the Companies and Allied Matters Act 2020 (CAMA) and Article 12 of the Company's Articles of Association, the authorised share capital of the Company be and is hereby reduced from N22,500,000,000 (Twenty Two Billion, Five Hundred Million Naira) divided into 45,000,000,000 ordinary shares of 50k each to N20,323,995,146.50 (Twenty Billion, Three Hundred and Twenty Three Million, Nine Hundred and Ninety Five Thousand, One Hundred and Forty-Six Naira Fifty Kobo) divided into 40,647,990,293 ordinary shares of 50k each by cancelling 4,352,009,707 ordinary shares of 50k each, which have not been issued".

   9.3 "That Clause 6 of the Memorandum of Association of the Company be and is hereby amended and substituted with the following:

   "The Share Capital of the Company is N20,323,995,146.50 (Twenty Billion, Three Hundred and Twenty-Three Million, Nine Hundred and Ninety-Five Thousand, One Hundred and Forty-Six Naira, Fifty Kobo) divided into 40,647,990,293 Ordinary shares of 50k each with power to divide the shares in the capital for the time being whether original or increased into several classes."

Dated this 28th day of March 2022

BY ORDER OF THE BOARD

Mrs. Kofo Olokun-Olawoyin
Group Company Secretary
FRC/2021/004/00000023325

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. Due to the restrictions on gathering and social distancing and the need to comply with these directives, the Corporate Affairs Commission has approved that the Annual General Meeting (AGM) should hold in accordance with the Corporate Affairs Commission 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 cfc@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:

a. Mr. Tony O. Elumelu, CON
b. Mrs. Foluke Abdulrazaq
c. Mrs. Owen Omogiafo
d. Mrs. Kofo Olokun-Olawoyin
e. Mr. John Isesele
f. Mr. Matthew Esonanjor
g. Ms. Judith Rapu
h. Mrs. Bisi Bakare
i. Sir Sunny Nwosu
j. Dr. Faruk Umar

4. STAMPING OF PROXY

The Company has made arrangement 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 Friday, April 22, 2022, to the shareholders whose names appear in the Company's Register of Members at the close of business on Friday, April 8, 2022.

7. CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, April 11, 2022, to Friday, April 15, 2022 (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 (CAMA), 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. CAMA further provides that members of the Audit Committee should be financially literate.

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 cfc@africaprudential.com to lay claim.

11. PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Mr. Tony Elumelu, CON, Mrs. Foluke Abdulrazaq and Dr. Stanley Lawson who will be retiring by rotation and will be presented for re-election are amongst the profiles of Directors that are provided in the 2021 Annual Report and on the Company's website at www.transcorpnigeria.com.

12. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE

In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2021 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 2021 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 Friday, April 15, 2022.

PROXY FORM

SIXTEENTH ANNUAL GENERAL MEETING OF TRANSNATIONAL CORPORATION OF NIGERIA PLC TO BE HELD ON THURSDAY, APRIL 21, 2022, AT TRANSCORP HILTON ABUJA, 1, AGUIYI IRONSI STREET, MAITAMA, ABUJA, F.C.T, AT 10.00 A.M.

I/We ____

being a member/members of TRANSNATIONAL CORPORATION OF NIGERIA PLC, hereby appoint:

____or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on Thursday, April 21, 2022, 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 exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it, so as to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@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 authorised 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 arrangement 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 declare a dividend.			
2.1	To approve the appointment of Mallam Ahmadu Sambo as a Director of the Company:			
2.2	To approve the appointment of Mr. Victor Famuyibo as a Director of the Company			
2.3	To approve the appointment of Mr. Oliver Andrews as a Director of the Company			
3.1	To re-elect Mr. Tony O. Elumelu CON, a Director retiring by rotation.			
3.2	To re-elect Mrs. Foluke Abdulrazaq, a Director retiring by rotation.			
3.3	To re-elect Dr. Stanley Lawson, a Director retiring by rotation.			
4	To authorise the Directors to fix the remuneration of the Auditors for the 2022 financial year.			
5	To elect members of the Statutory Audit Committee.			
6 6.1	To consider and if thought fit, pass the following as ordinary resolutions: That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganisation, reconstruction and such other business arrangement exercise or actions."			
6.2	"That subject to regulatory approval (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of the above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate."			
7 7.1	To consider and if thought fit, pass the following as special resolutions: "That the name of the Company be and is hereby changed from "Transnational Corporation of Nigeria Plc" to "Transnational Corporation Plc."			

7.2	"That pursuant to Section 131 and other applicable provisions, if any, of the Companies and Allied Matters Act 2020 (CAMA) and Article 12 of the Company's Articles of Association, the authorised share capital of the Company be and is hereby reduced from N22,500,000,000 (Twenty Two Billion, Five Hundred Million Naira) divided into 45,000,000,000 ordinary shares of 50k each to N20,323,995,146.50 (Twenty Billion, Three Hundred and Twenty Three Million, Nine Hundred and Ninety Five Thousand, One Hundred and Forty-Six Naira Fifty Kobo) divided into 40,647,990,293 ordinary shares of 50k each by cancelling 4,352,009,707 ordinary shares of 50k each, which have not been issued".			
7.3	7.3 "That Clause 6 of the Memorandum of Association of the Company be and is hereby amended and substituted with the following: "The Share Capital of the Company is N20,323,995,146.50 (Twenty Billion, Three Hundred and Twenty-Three Million, Nine Hundred and Ninety-Five Thousand, One Hundred and Forty-Six Naira, Fifty Kobo) divided into 40,647,990,293 Ordinary shares of 50k each with power to divide the shares In the capital for the time being whether original or increased into several classes."			

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

Sixteenth 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 Thursday, April 21, 2022, 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

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
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32. PORTLAND PAINTS & PRODUCTS NIG. PLC
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34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
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38. TRANSCORP PLC
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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

SCAN
To Download Shareholders' Forms

Africa Prudential
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)*

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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
1.		
2.		
3.		

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

S/N	CERTIFICATE NO. (IF ANY)	UNITS
4.		
5.		
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

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

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Transforming Nigeria

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