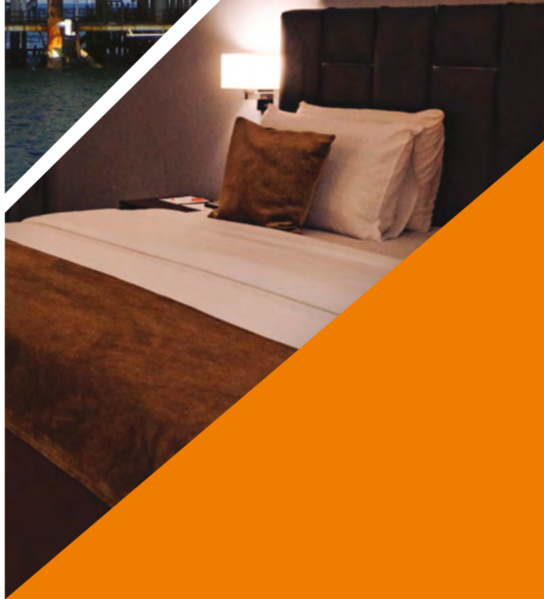
Transcorp



2022 Annual Report & Financial Statements

#BuildingToLast

Table of Contents

01 Overview

02 Strategy and Business Review

03 Governance

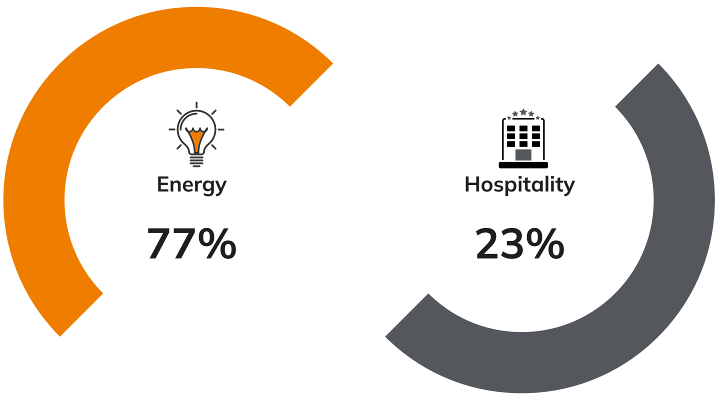
04 Financial Statements

05 Shareholders Information

Group Overview

Transnational Corporation PC, also known as Transcorp, is a highly regarded conglomerate that specializes in acquiring and managing strategic businesses that create long-term shareholder value and have a positive socio-economic impact. Incorporated on November 16, 2004, Transcorp currently has strategic investments in various sectors including Power, Hospitality, and Oil & Gas.

Transcorp operates several notable businesses through its subsidiaries, which include Transcorp Hotels Plc, Transcorp Power Limited, Transafam Power Limited, Transcorp OPL 281 Nigeria Limited, and Transcorp Energy Limited. These businesses include the prestigious and award-winning Transcorp Hilton Abuja, Transcorp Hotels Calabar, Transcorp Power Plant located in Ughelli Delta State, Transafam Power Plant in Afam, Rivers State, Aura by Transcorp Hotels, and Oil Prospecting License 281.



Percentage of Revenue Generation from Business sectors

POWER

HOSPITALITY

OIL & GAS

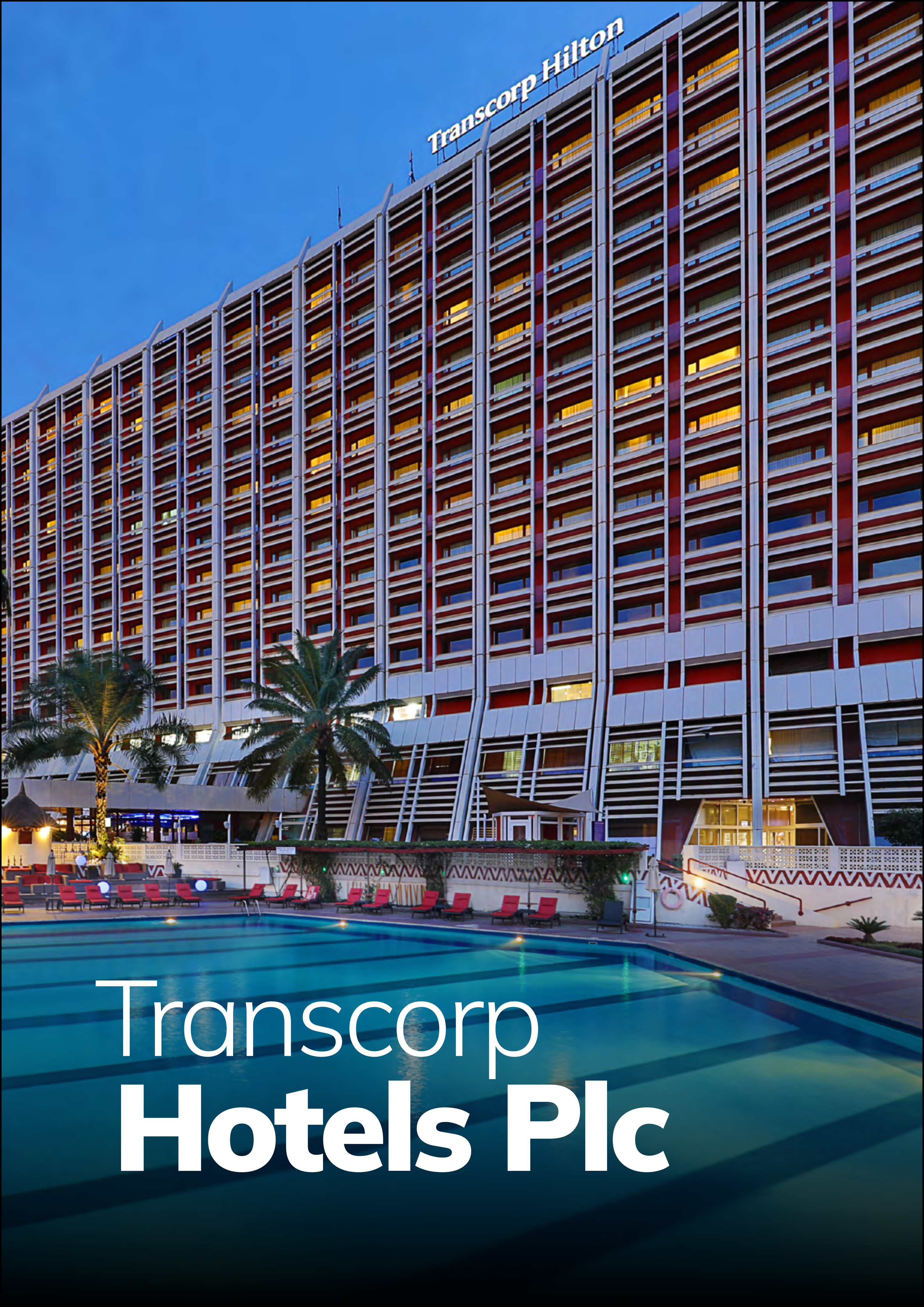

Transcorp Hilton

Results at a Glance

Group	Dec-22 N'mn	Dec-21 N'mn	Inc/(Dec) %
Revenue	134,721	111,219	21
Cost of Sales	68,300	56,440	21
Gross Profit	66,421	54,779	21
Total Operating Expenses	23,419	18,888	24
Profit before tax	30,276	27,999	8
Profit after tax	**16,840**	**23,831**	**(29)**
Non Current Assets	340,833	327,741	4
Current Assets	101,870	88,259	17
Total Assets	**442,703**	**416,000**	**7**
Share Capital	20,324	20,324	-
Shareholders' fund	**154,774**	**146,292**	**6**
Basic Earnings per share (kobo)	**19**	**34**	**(44)**

Company	Dec-22 N'mn	Dec-21 N'mn	Inc/(Dec) %
Revenue	10,318	5,127	101
Cost of Sales	-	-	-
Gross Profit	10,318	5,127	101
Total Operating Expenses	2,503	1,693	48
Profit before tax	8,440	4,022	110
Profit after tax	**7,216**	**3,434**	**109**
Non Current Assets	57,880	53,932	7
Current Assets	37,998	35,773	6
Total Assets	**95,878**	**89,705**	**7**
Share Capital	20,324	20,324	-
Shareholders' fund	**47,892**	**41,704**	**15**
Basic Earnings per share (kobo)	**18**	**8**	**125**

Our Businesses



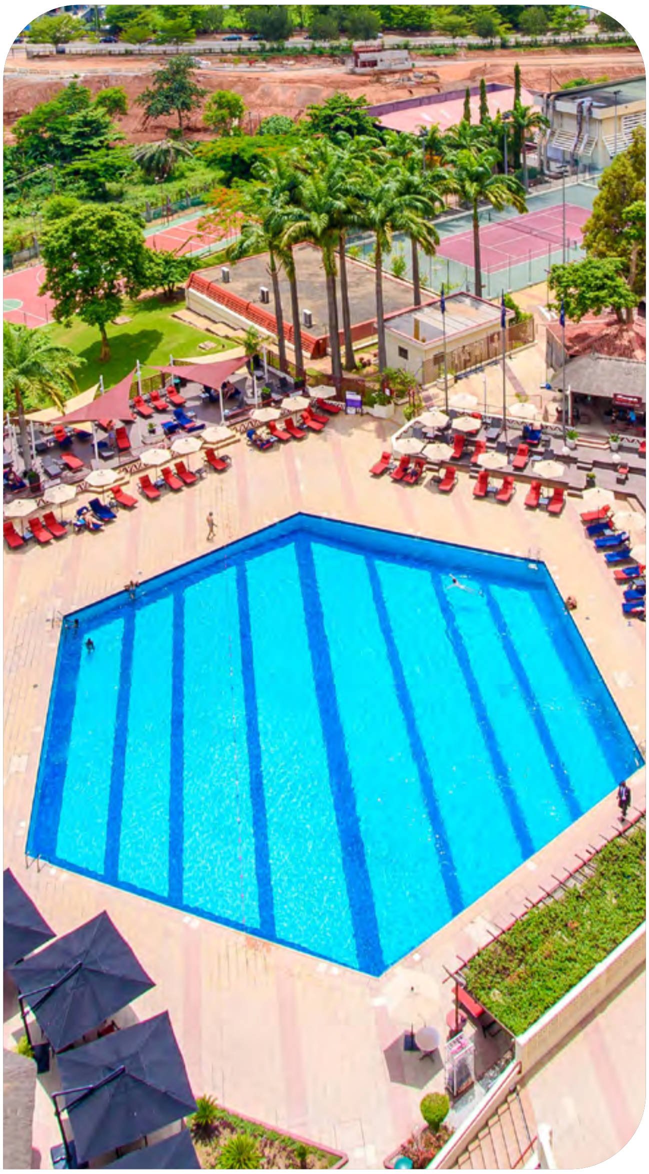
Transcorp
Hotels Plc

Transcorp Hotels Plc is the hospitality subsidiary of Transnational Corporation Plc and owners of the new digital hospitality platform Aura by Transcorp Hotels, the award winning iconic Transcorp Hilton Abuja and 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. Its 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

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

02

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

03

Transcorp Hilton Abuja underwent a $100 million renovation project in 2019.

04

Aura by Transcorp Hotels, the latest addition to our Group, received the special recognition award for Tourism Innovation at the Nigerian tourism Awards.

05

Transcorp Hilton Abuja and Zuma Grill Resturant won the best luxury business hotel in West & Central Africa and Best Fine Dining Cuisine in Africa.

06

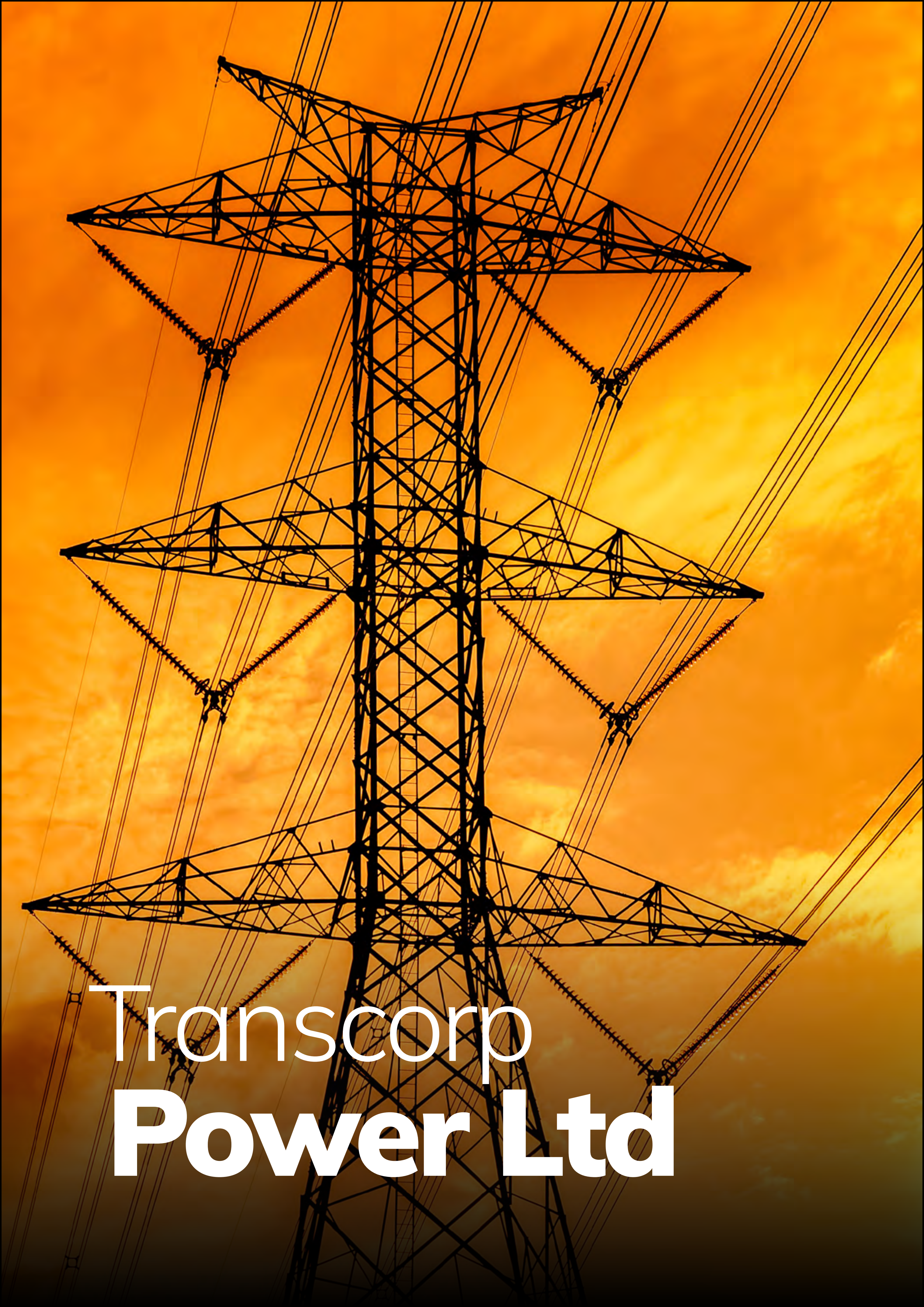
Transcorp Hotels Plc. emerged Nigeria's best Diversity, Equity and Inclusion (DEI) compliant company.

07

Transcorp Hilton recently won 4 awards - Africa and Nigeria's leading business hotel (for the eighth consecutive year), Africa's leading Hotel and Nigeria's Leading Hotel Suite (The Presidential Suite) at the 29th annual World Travel Awards.

08

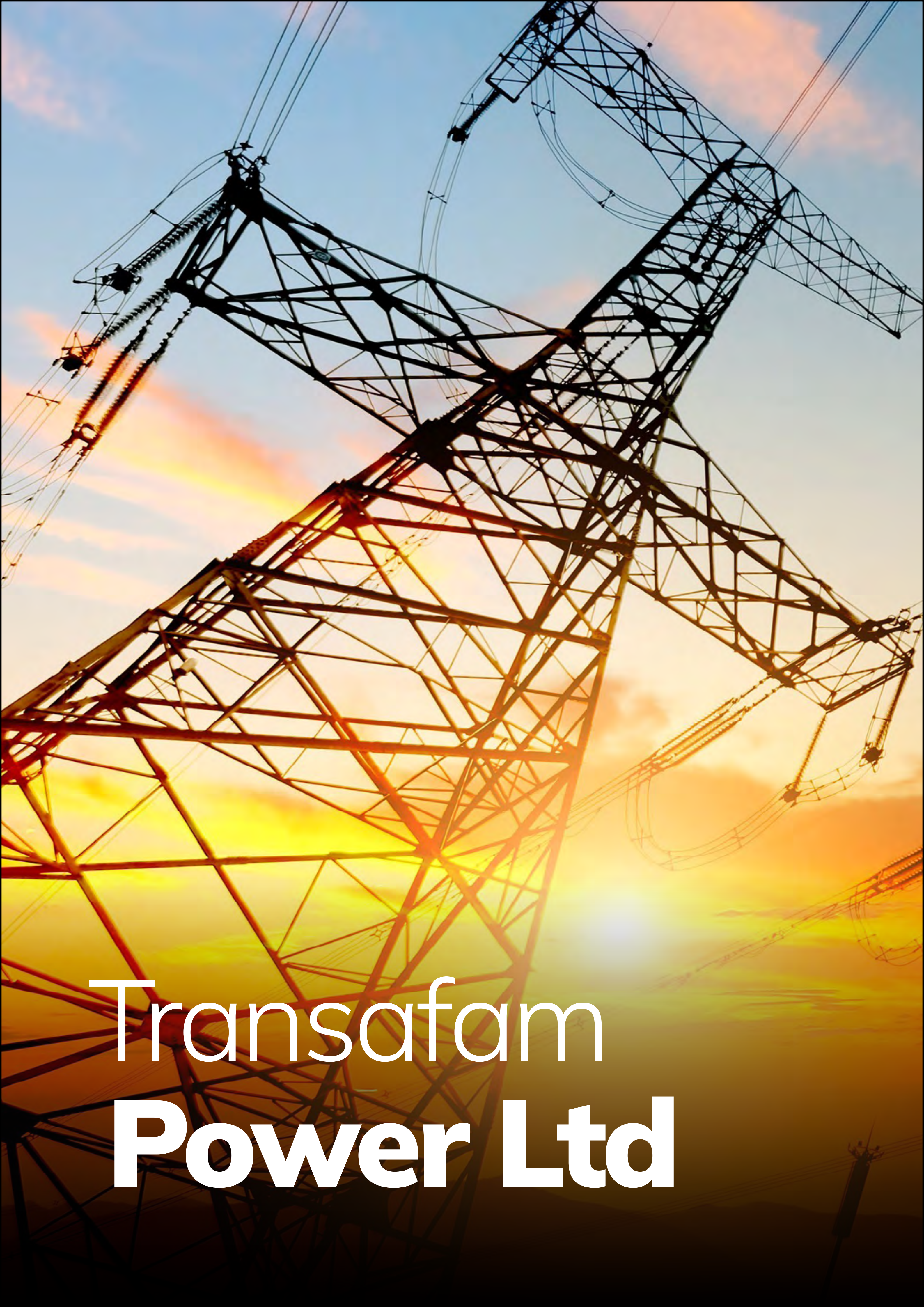
Transcorp Hotels Calabar won the Best Event Hall Award from the Cross River State Tourism Bureau.



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 (Generation Companies) 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 x evacuation 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

1. Improving Nigeria

Transcorp's combined installed capacity of nearly 2000MW accounts for 15.5% of the total installed capacity in Nigeria.

2. Increase in Capacity

Transcorp Power Ltd increased its available capacity from an average of 539MW in January 2022 to an average of 749MW as at September 2022.

3. Afam Power Takeover

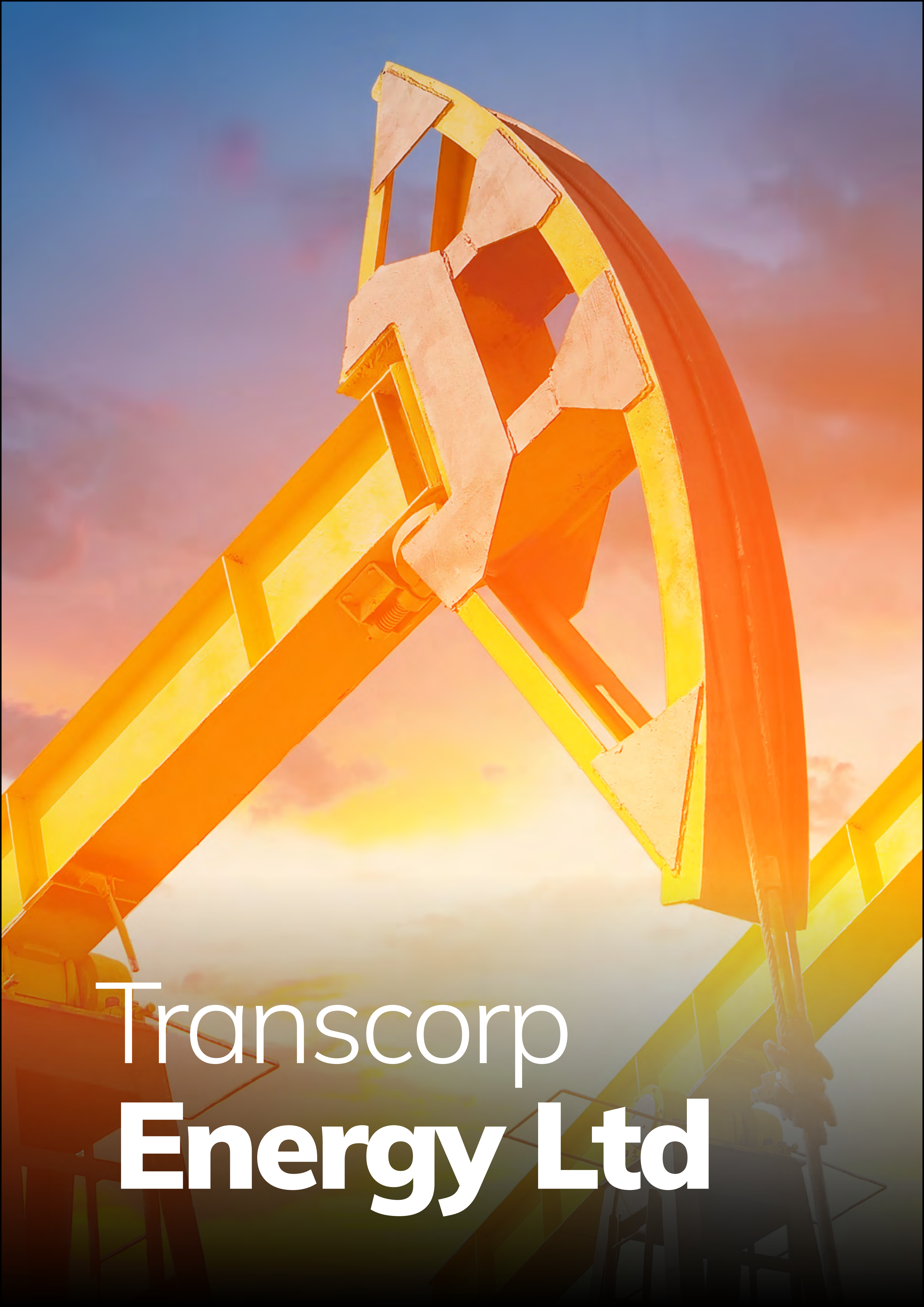
Transafam Power Ltd took over operational management of the Afam Power Asset on the 10th of March, 2021.

4. Revamped Gas Turbine

Transafam Power rehabilitated the 138MW rated Afam 5 GT 20 Gas Turbine power-generating unit which had been out of service for over 15 years prior to our takeover.

5. 720 Injury-Free Days

Transafam Power has achieved 720 days of no loss time to injury since the operational takeover in March 2021.



Transcorp
Energy 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 Ltd (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


1


2


3


4


5


6


7


8


9

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

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

03 **Dr. (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 & Professional Advisers

Group Company Secretary (Ag.)
Mrs. Funmi Olofintuyi

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

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

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

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

Directors' Profile

Tony O. Elumelu, CFR
Chairman

Tony O. Elumelu is one of Africa's leading investor and philanthropist. He is the Founder and Chairman of Heirs Holdings, a family-owned investment company committed to improving lives and transforming Africa, through long-term investments in strategic sectors of the African economy, including financial services, hospitality, power, energy, technology, and healthcare.

Tony is the Chairman of the pan-African financial services group, the United Bank for Africa (UBA), which operates in 20 countries across Africa, the United Kingdom, France, and 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 35 million customers globally. He also chairs Nigeria's largest quoted conglomerate, Transcorp whose subsidiaries include Transcorp Power, one of the leading producer 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 50,000 barrels of oil equivalent per day and 2P reserves of 1.2 billion barrels of oil equivalent, with an additional 1 billion barrels of oil equivalent resources of further exploration potential. Heirs Oil & Gas is committed to creating resource-based added value on the African continent.

Tony is the most prominent champion of entrepreneurship in Africa. In 2010, he created The Tony Elumelu Foundation (TEF), the leading philanthropy empowering a new generation of African entrepreneurs, catalysing economic growth, driving poverty eradication, and driving job creation across all 54 African countries. Since its inception, the Foundation's flagship programme has identified and catalysed nearly 16,000 entrepreneurs and created a digital ecosystem of over one million Africans, as part of a ten-year US$100m commitment to fund, mentor, and train young Africans.

The Foundation is increasingly sharing its unique ability to identify and access young entrepreneurs across Africa, with institutions such as the European Commission, United Nations Development Programme, the International Committee of the Red Cross, and other global development agencies, implementing thematic programmes that have focused on women and fragile regions.

His businesses and the 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. In 2022, TIME again recognised Tony with its inaugural TIME100 Impact list, honouring him alongside six global leaders who have gone over and beyond to move their industries – and the world – forward.

Foluke Abdulrazaq
Vice Chairman/Independent Non-Executive Director

Dr. (Mrs.) Foluke 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, where 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, she served as the Executive Chairman of the Interim Management Board of Credite Bank Nigeria Limited, served on the Board of Julius Berger Plc and the Group Board of United Bank of Africa Plc.

Mrs. Abdulrazaq holds an M.Sc. degree in Banking and Finance from the University of Ibadan. She is an alumnus of Harvard University and a member of the Governing Council of Lagos State University and the Board of Trustees of Fountain University.

Owen Omogiafo
President/GCEO

Dr. (Mrs.) Owen D. Omogiafo is the President and Group CEO of Transnational Corporation Plc (Transcorp). She is the first female to hold this position.

Owen is a multi-award-winning professional with over two decades of experience across multiple sectors. She has worked as Chief Operating Officer at the Tony Elumelu Foundation. She has also worked as Director of Resources at Heirs Holdings Limited, as HR Advisor to the GMD/CEO at United Bank for Africa Plc, and as an Organization and Human Performance Consultant at Accenture.

Owen is a member of the Chartered Institute of Personnel & Development, UK, a certified Change Manager with the Prosci Institute, USA, a member of the Chartered Institute for Personnel Management, Nigeria, a member of the Institute of Directors (IoD) Nigeria, and a member of the boards of Afriland Properties Ltd, Transcorp Power Ltd, Transcorp Hotels Plc and Transafam Power Ltd.

She holds a B.Sc. (Double Honours) in Sociology & Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics & Political Science, and a Doctorate Degree in Engineering from the Federal University of Petroleum Resources Effurun. She is also an alumnus of the Lagos Business School and IESE Business School in Spain.

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.

Emmanuel was President/CEO of Transnational Corporation Plc. He has served in other management roles such as 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 four 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 Lawson
Non-Executive Director

Dr. Stanley Lawson is a multi-disciplinary professional with over 40 years of experience in the Banking & Finance industry as well as the Oil and Gas industry. Presently, runs his own consulting firm which provides specialized financial advisory services to companies in the Oil and Gas industry.

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. Thereafter, he 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 and the Oil industry in general.

He holds a B.Sc. Geology, M.Sc. Petroleum Geology, MBA in Finance, and a Ph.D. in Business Administration. He is also an Alumnus of the Institute for Management Development (IMD) and a member of several boards including Financial Advisory and Investment Consultants Limited; Elcrest E&P Nig. Ltd; Transnational Corporation Plc; and HH Oil and Gas Ltd. He has also served on the Board of Brass LNG Ltd and until most recently, was 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 Ltd.

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 Plc 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.

She has over thirty-three years of experience as a prominent Investment Banker, Public Personality & Speaker. She served as 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.

She has a master's degree in law and holds professional qualifications as a Fellow of the Chartered Institute of Stockbrokers, a Fellow Chartered Institute of Secretaries and Administrators, and a Member of the Chartered Institute of Securities and Investments, United Kingdom.

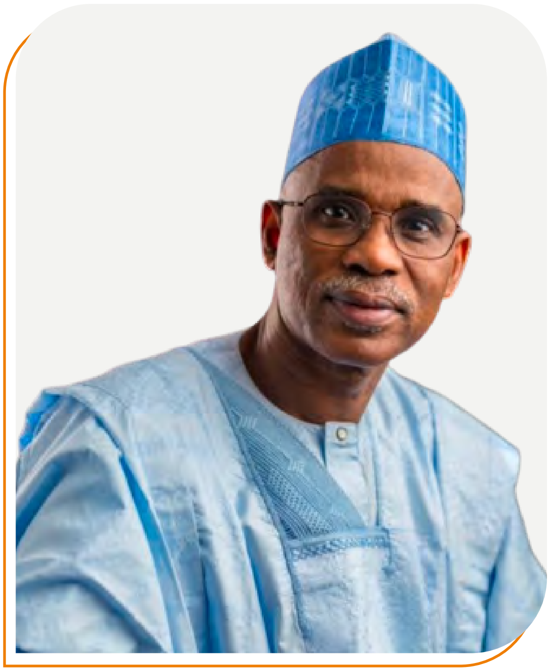
Victor Famuyibo
Independent Non-Executive Director

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

He was the Executive Director on the Board of Nigerian Breweries with responsibility for Human Resources. Earlier, Victor was 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.

He 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; Chairman Human Capital Development Committee and Exco Member of the Institute of Directors (IoD). 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.

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



Mallam Ahmadu Sambo
Independent Non-Executive Director

Ahmadu Sambo 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.

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). He has also served as the 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 holds a B.Sc. in Business Management from the University of Maiduguri, Borno State, Nigeria, and an MBA in Accounting & Finance from Southern New Hampshire University, Manchester, New Hampshire, USA.

Oliver Andrews
Independent Non-Executive Director

Mr. Andrews is the Executive Chairman of FG Gold a gold mining company in Sierra Leone and 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. He 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 oversaw 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"). He also served as CEO of TCI Infrastructure and the Gambia Ports Authority. 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 holds an MBA from the University of Wales, is an Electrical and Electronic Engineer, a Chartered Marketer, and 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. He is a member of the Nigerian Bar Association (NBA), the Institute of Chartered Secretaries & Administrators of Nigeria (ICSAN), Association of International Petroleum.

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. He served as Executive Director of Transnational Corporation Plc, where he was responsible for Business Development and Legal. He was also a Non-Executive Director at Transcorp Power Limited.

He is an alumnus of Lagos Business School, Lagos, and IESE Business School, Barcelona. He holds an LL.B degree from the University of Lagos, a B.L from the Nigerian Law School, an LL.M from the University of Lagos and a second LL.M in Energy, Environmental & Natural Resources Law from the University of Houston, Texas.

Dupe Olusola
MD/CEO
Transcorp Hotels Plc

Dupe Olusola is the Managing Director/Chief Executive Officer of Transcorp Hotels Plc. where she oversees the Company's strategic objectives through its subsidiaries; Transcorp Hilton Abuja, Transcorp Hotels Calabar and Aura by Transcorp Hotels.

Dupe is a thoroughbred professional with over 2 decades of experience spanning various sectors. She served as the Group Head, Marketing for United Bank for Africa Pic and as the Group Head of Embassies, Multilaterals and Development Organizations (EMDOs), and Global Investors Services (GIS) at the same organisation.

She also worked as the Managing Director/CEO of Teragro Commodities Limited (an indigenous agricultural company) where she spearheaded a partnership with Coca-Cola to produce Five Alive Pulpy Orange Juice, making Teragro the sole local material source for the juice in Nigeria.

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

Peter Ikenga is the Managing Director & Chief Executive Officer of Transcorp Energy Limited and spearheads the upstream petroleum development objectives of the Company. 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 the United States of America.

He served as Refining Director for Niger Delta Exploration and Production Limited. His 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 portfolios, overseeing strategic acquisition opportunities, negotiating contracts and strategic partnerships, optimising production operations, and leading the full execution, construction, and commissioning of major projects.

He holds a Bachelor of Engineering degree in Electrical and Electronics Engineering from the Federal University of Technology Owerri, Nigeria, and a Master of Business

Vincent Ozuode
MD/CEO
Transafam Power Limited

Vincent Ozuode is the Managing Director/Chief Executive Officer of 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 started his GE Career as a Field Engineer, Project Manager, member Field Engineering advisory board for GE Power Generation in Africa, India & Middle East. He later became the Sub-Saharan Africa Repair services manager and rose to become the Sub-Saharan Africa Sales Director covering nearly 300 Gas Turbine installed base fleets across GE customers in Sub Saharan Africa region.

He holds a degree in Chemical Engineering from Enugu State University and currently completing an M.Eng in Chemical Engineering from the same Institution. He is a member of the Nigeria Society of Engineers (NSE), and the Council for the Regulations of Engineering in Nigeria (COREN) and is a green belt (lean six sigma) certified

Executive Management Team

Joseph Adegunwa
Group Chief Finance Officer

Joseph is the Chief Finance Officer for Transnational Corporation Plc. He spearheads the finance team, is an astute finance professional with over 15 years of experience in Finance Management.

He is adept at creating robust financial management and financial governance capability for rapidly growing organizations to protect cash flow and profitability. He 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.

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).

Funmi Olofintuyi
Ag. Group Company Secretary

Funmi Olofintuyi is the Acting Company Secretary of Transnational Corporation Plc. She has over 11 years of Legal experience with competencies in Statutory Regulations Compliance, Corporate Governance, Debt Recovery, Cross Border Commercial Transactions, and Commercial Litigation.

She worked as a Senior Associate leading the Company Secretarial, Legal Advisory, and Transactions Team at Kusamotu & Kusamotu. There she managed the company's corporate governance portfolio across different industries and provided advisory services to international enterprises.

She possesses an LLB (Hons) from Obafemi Awolowo University and an LLM from the University of Warwick. She was called to the Nigerian Bar in 2010. She is also a member of the Institute of Chartered Secretaries and Administrators (ICSAN) and the International Bar Association.

Gabriel Nkanga
Director of Resources

Gabriel is the Director of Resources for Transnational Corporation Plc. He is a seasoned Human Resource professional with about 23 years of experience. His background includes work in the Oil and Gas and Telecommunications industries.

He worked as HR Business Partner for Airtel Nigeria Limited, serving the Lagos, West, and South Regions.

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).

Chinweugo Nwafor
Group Head, Internal Audit

Chinweugo is the Head of Internal Audit for Transnational Corporation Plc. She is a GRC consultant and seasoned Internal Audit professional with over 15 years of extensive work experience and proven knowledge in internal audit, risk management, compliance, accounting, and corporate governance gained in the banking, asset management, insurance, hospitality, and energy sectors of the economy.

She worked with Ecobank and KPMG. and ARM Life Plc as the Head, Internal Audit and Control.

She holds a B.Sc. degree in Accounting from the University of Nigeria, Nsukka. She is a Chartered Accountant and member of the Institute of Internal Auditors (IA).

Ilobekemen Idiake
Group Head, Strategy & Business Transformation

Ilobekemen is the Head of Strategy & Business Transformation of Transnational Corporation Plc. She is responsible for driving the Group's strategy, new business development, and business transformation. She has over 13 years of experience providing consulting and investment advisory services to clients across various sectors of the economy. She is also a qualified Chartered Accountant of the Institute of Chartered Accountants of Nigeria.

She worked as a Manager in the Strategy & Transactions unit at Ernst & Young. She has also worked in several investment banking/advisory firms including Chapel Hill Advisory Partners Limited, United Capital Plc, and FBN Capital Limited.

She holds a B.Sc. degree in Accounting from Babcock University and an M.Sc. Financial Economics from the University of Leicester, United Kingdom.

Oluwaseun Oridota
Chief Information & Technology Officer

Oluwaseun Oridota is the Chief Information and Technology Officer of Transnational Corporation Plc. He is an experienced IT, Telecoms, and Digital Banking/Mobile Money services Manager with over 15 years of experience in the Information Technology, Telecommunications, and Mobile Financial industries.

He worked as Head of West Africa Operations/ Executive Director for Comviva Technologies Nigeria. His area of expertise includes GSM Network Charging Systems, Integration design, Value Added Services, and Mobile financial systems.

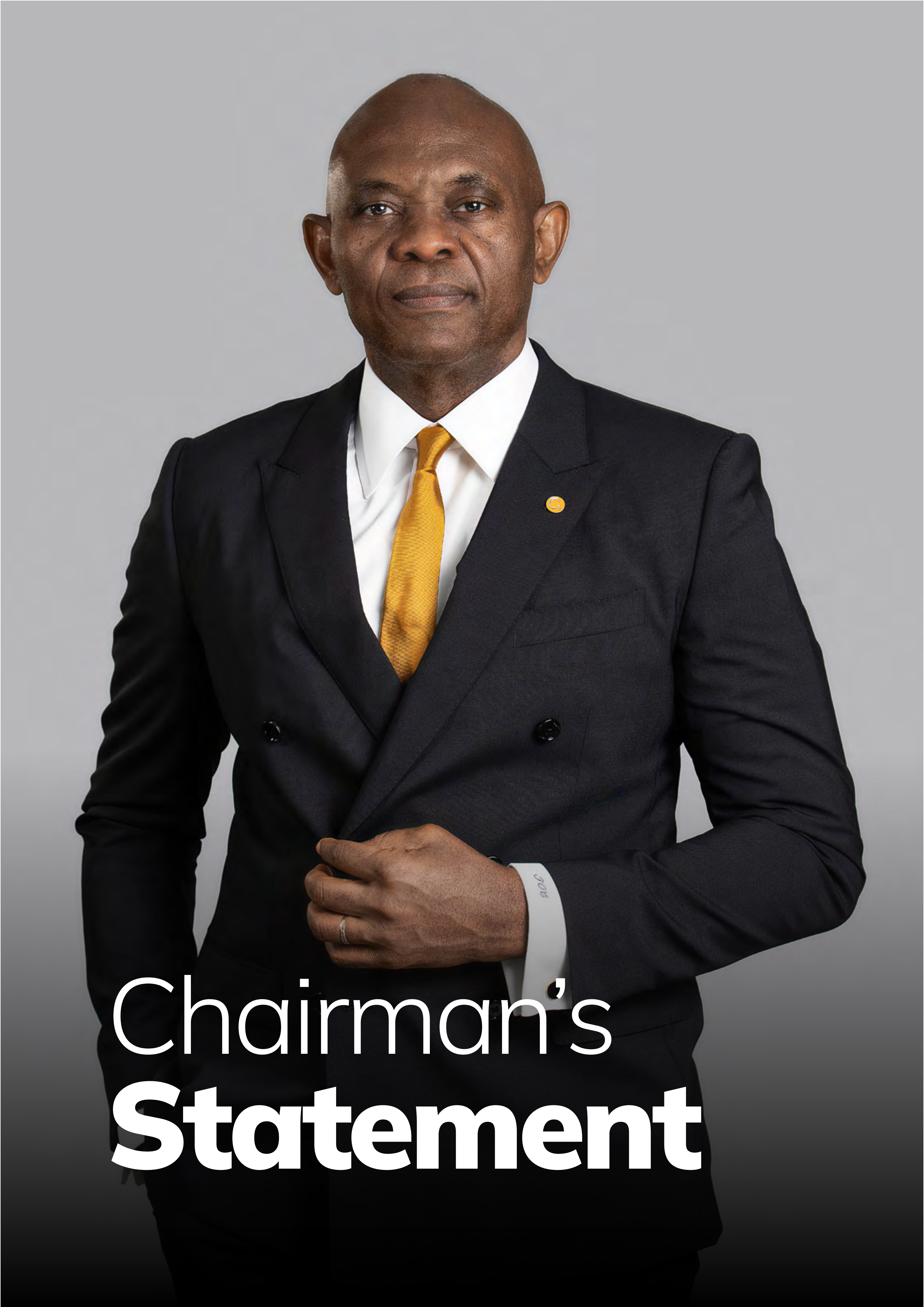
He holds a degree in Metallurgical and Materials Engineering from OAU, Ile-Ife, and a master's in systems engineering from the University of Lagos. He is also a Cisco Certified Network Administrator (CCNA), a Microsoft Certified Professional (MCP), and a Member, Project Management Professional from the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

Adeshola Shittu
Group Head, Marketing and Corporate Communication

Adeshola is the Group Head of Marketing and Corporate Communication for Transnational Corporation Plc. She is an accomplished Marketing & Communications professional with over 13 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. She worked as the Head of Digital & Insights for Coronation, as the Head of Digital Media & Communications at the United Bank for Africa (UBA), an instrumental player in the Marketing department at Interswitch - Verve International and with Cushion the impact, a PR firm in the UK.

She holds a B.Sc. in Marketing from Babcock University, a Post Graduate Diploma in Marketing from the Nigerian Institute of Marketing, and an M.A in Marketing Communications from the University of Westminster, United Kingdom.



Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Transnational Corporation Plc, for the year ended 31 December 2022.

2022 was an extraordinary year in many ways, amid the conflict in Ukraine, the continued impact of climate change and the ongoing consequences of the COVID-19 pandemic.

The Group navigated the challenging economic landscape successfully, implementing strategic initiatives that yielded significant improvements in our customer experience, enhanced our growth prospects, and delivered market share accretion and profitability during the year.

We achieved a record occupancy rate of 79% in our hospitality business and increased our average generation capacity in our power business, surpassing pre-pandemic revenue, earnings, and operational cash flow levels. We also experienced commendable growth in trading profit, a strong earnings performance, and improved key metrics across all our businesses, while maintaining a healthy balance sheet.

These achievements were made possible by our clear strategy, service quality, professionalism, dedication, and the commitment displayed by colleagues throughout the Group.

Before reviewing our performance, let me provide some context.

OPERATING LANDSCAPE

During the year, the global economy was impacted by a series of events that have significantly complicated the ongoing recovery from the pandemic. In Nigeria, the annual inflation rate rose to a five-year high of 21.1%, and interest rates were at an all-time high of 16.5%, according to the Central Bank of Nigeria.

Uncertainty remains a significant feature in 2023 and the macro-environment will remain challenging. In its latest World Economic Outlook, released on 30 January 2023, the International Monetary Fund upwardly revised its global growth forecasts for 2023, but highlighted the uncertainties caused by ongoing higher interest rates and the war in Ukraine. The IMF predicted that the world would grow by 2.9% in 2023, below the rate of 3.4% recorded in 2022.

The power sector in Nigeria is improving under the oversight of the Nigerian Electricity Regulatory Commission (NERC). In a bid, to improve and sustain power generation, NERC introduced the Partial Activation of Power Purchase Agreements (PPAs) which came into effect from July 1, 2022. Partial activation is a phased activation of the contracted capacities of GenCos under the PPAs between National Bulk Electricity Trading Company (NBET) and GenCos. This is a creative way that NERC has adopted to optimize the current low capacity of the national grid.

The hospitality sector rebounded in 2022, after two years of disruption caused by the pandemic. The sector recorded 71.5% occupancy in 2022, this was on the back of improved business activities, boosted by the return of foreign leisure and business travellers, as well as increased corporate and government patronage. Notwithstanding the recent recovery, the sector faced significant challenges such as inflation, insecurity, elevated foreign exchange rates, and increasing energy costs, which impacted performance levels.

The World Travel & Tourism Council has stated that the Travel and Tourism sector in Nigeria is expected to create 2.6 million new jobs over the next decade, doubling the number of those employed within the sector by 2032. According to the report, Nigeria's Travel and Tourism contribution to GDP is forecasted to grow at an average rate of 5.4% between 2022-2032, significantly outpacing the 3% growth rate of the overall economy. We continue to see significant opportunity, both to grow our brands and to increase employment and drive formalisation of the sector.

As a global corporate citizen, with a purpose of improving lives and transforming Africa, we are also making significant steps to improve our sustainability processes.

FINANCIAL PERFORMANCE

Despite the significant macro-economic challenges, Transcorp Group delivered growth across all its key financial metrics. This is especially noteworthy considering the unexpected operational challenges during the year, notably in the supply of gas arising from the oil theft in the Niger-Delta region and rising inflation. It is extraordinary how quickly we were able to adapt, innovate and deliver another excellent performance.

Among the many performance highlights, gross earnings for the year grew by 21% to ₦134.7 billion, from ₦111.2 billion reported in 2021, with a PBT growth of 8% from ₦27.9 billion to ₦30.3 billion. This success was primarily driven by significant investments which resulted in robust growth in our power and hospitality businesses.

Total assets increased by 6% to ₦442.7 billion, driven by 4% growth in PPE, 22% growth in trade and other receivables, prepayments, and other assets. Shareholders' funds grew by 6% from ₦146.2 billion to ₦154.8 billion, driven by retained profit for the period.

Total liabilities increased by 7%, from ₦269.7 billion to ₦287.9 billion, during the year. We were able to reduce our foreign exchange exposure liabilities from $47 million to $20 million during the year.

In the hospitality business, consolidating on the previous year's successful performance, we achieved an impressive increase in average occupancy rate growth from 67% in 2021 to 79% in 2022, with an average daily rate and (ADR) of ₦101,279. This resulted in a revenue growth of 47%, from ₦21.4 billion in 2021 to ₦31.4 billion in 2022. Profit before tax grew by 172% from ₦1.66 billion in 2021 to ₦4.5 billion in 2022. Undoubtedly, we have recovered from the impact of the Covid-19 pandemic and are now pushing the frontiers of service excellence and innovation in this sector.

Our power business faced some challenges during the year, frequent grid collapse and inadequate gas supply, driven by the oil theft and poor gas infrastructure, which impacted the sector during the year. In spite of these challenges, we invested in significant capacity recovery and improving operational efficiency and maintenance to drive value for our stakeholders. Our efforts paid off, with an increase in available and generated capacity from 598MW and 410MW to 858MW and 598MW respectively. We continue to be the largest producer of power in Nigeria.

As a Group, we are committed to a sound capital structure, by maintaining appropriate gearing and ensuring access to sufficient funding to sustain our operations and facilitate growth. Net interest-bearing debt reduced by N1.4bn, compared to the prior year, resulting in a marginal decrease in the net interest-bearing debt to equity (gearing) ratio to 49% in 2022 compared to 51% in 2022.

These results are particularly significant, when viewed in the context of the macroeconomic uncertainty and volatility in the Group's key operating areas during the financial year.

STAYING ON MISSION

Complementing the outstanding performance within our businesses, we also achieved several other notable accomplishments during the fiscal year.

We rehabilitated the Afam 5 GT unit 20 gas turbine power-generating unit located at Okoloma – Afam, Rivers State. The rehabilitated unit, which had been out of operations for 15 years, prior to our acquisition of Afam GenCo (through our subsidiary TransAfam Power Ltd) in March 2021, brings an additional 138MW to our available generation capacity. The rehabilitated generating unit adds 138MW of power to the national grid, which is enough to power close to 100,000 homes in a year. We can proudly say that this rehabilitation was achieved using a combination of our in-house resources and other local technical support, with just 20% of foreign expert support.

Transcorp Power Ltd continued its improvement in generated capacity, with an average generation of 377MW in 2022. The significance of this performance is better appreciated when we consider the fact that in 2022, we weathered one of the greatest grid challenges in our business existence, which saw two of our Frame 9E turbines (200MW) shut down for three months, due to interface challenges between our protection system and that of the Transmission Company of Nigeria (TCN). Showing resilience, we still ended the year with available capacity of 670MW, with the expedited return to service of two of our gas turbines – GT15 (100MW) and GT16 (100MW), after undergoing major overhauls and repairs. As a result of our effective engagement with some of our critical stakeholders, TCN deployed a brand new 150MVA inter-bus transformer to its switch yard at our plant in Ughelli, thus eliminating generation loss of about 150MW, which we usually experienced each time TCN's 132kVtransmission lines tripped.

Transcorp Power also signed the ECOWAS Regional Electricity Market (EREM) Participation Agreement at the 17th Session of the West African Power Pool (WAPP) General Assembly held in Dakar, Senegal. When added to the fact that we have been an active member of WAPP, Transcorp Power is further positioned to become a dominant player in the regional electricity market, particularly with the synchronization of transmission systems across member countries scheduled for the fourth quarter of 2023.

In October 2022, Transcorp Hotels Plc made the final payment to the bondholders which completely extinguishes our bond liability. We also maintained our credit rating for Transcorp Hotels and the bonds, as two prominent rating agencies affirmed the Company's "Stable" outlook as follows: Global Credit Rating Co. (GCR), Long-term Issuer Rating: BBB+(NG) and Agusto & Co. Issuer Rating: Bbb. Our flagship restaurant, Bukka, was renovated, with the interior design that will reinvigorate and generate excitement for both new and existing customers. The reimagined interior creates an ambience that will increase traffic to the restaurant, from both in-house and outside guests, supported by our enhanced menu and culinary experiences.

In keeping with our vision of redefining hospitality standards, in partnership with a leading spa operator in Nigeria, we introduced a best-in-class Wellness Centre at Transcorp Hilton Abuja, with the aim to improve our in-house facilities and increase guest satisfaction.

The Wellness Centre offers therapeutic and timeless treatments in an intimate indulgent environment featuring innovative spa treatments, magnificent facilities, and the most gracious, expert service.

AN ENGAGED TEAM

We continued to prioritize diversity and inclusion in our workforce. We recognize that diversity not only brings different perspectives and experiences, but it also leads to increased innovation and better decision-making. Our commitment to creating a diverse and inclusive workplace has resulted in a more engaged and motivated workforce.

We have implemented policies and practices to ensure that all employees feel valued and respected. Our efforts have helped us attract leading talent from diverse backgrounds and our Employee Satisfaction Index increased significantly, with an over 80% average across the group. We believe that our employees are our greatest asset, and we strive to create a work environment where they feel inspired and empowered to do their best work.

2023 OUTLOOK AND PRIORITIES

Notwithstanding the difficult macroeconomic climate, the Board of Directors and management team remain focused on delivering on our purpose and strategy to drive long-term value creation.

Our strategy is matched with our mindset of positive transformation. Our priorities for 2023 are very clear: executing for today, planning for tomorrow.

In the power sector, we are focused on further increasing our generation capacity, taking into consideration the limitation in the transmission and distribution capacities. To this end, four of our H25 generating turbines, which were strategically taken out of inventory for refurbishment during the year, will return to operation in 2023. These four turbines contribute about 100MW to our available capacity. This, together with the improved gas supply, which we are aggressively pursuing, will provide a solid foundation for strong performance in 2023. We plan to further consolidate on the existing benefits from our membership of the West African Power Pool, by increasing our share of the regional electricity market.

In our energy division, development studies for OPL 281 asset have been completed for the first phase of the development. The asset will be developed in phases with the first phase comprising 2 wells.

Our goal remains to achieve planned production in Q4 of 2023. In line with the Petroleum Industry Act (PIA), the process of voluntary conversion of the asset is currently ongoing and expected to conclude by Q2, 2023. The PIA replaces the former Petroleum Act and overhauls the previous regulation and governance of the oil and gas industry as it impacts upstream, midstream, and downstream petroleum operations. It provides the option for holders of OPL or OML to enter a voluntary conversion contract under the Act. The conversion from an OPL or OML to the new regime respectively entitles the holder to benefit from the PIA's favourable fiscal terms.

In the hospitality sector, our focus is on maximizing the potential of our existing assets, completing the Transcorp Events Centre in Abuja, a 5000-capacity purpose-built facility featuring state-of-the-art amenities which will serve as the leading venue to host medium to large scale events such as trade fairs, concerts, and weddings in our capital, implementing cost-saving strategies, upgrading facilities, and continuously improving customer experience. A dual strategy of "Exploring while Developing", will be deployed in 2023 to expedite progress towards our end-of-year goal.

As a global corporate citizen, with a purpose of improving lives and transforming Africa, we are also making significant steps to improve our sustainability processes. I am proud to say, "We are Transcorp, we improve lives and transform societies".

INVESTOR'S TOAST

As I reflect on the turnaround of our Company, I am filled with a sense of pride and great accomplishment. We have come a long way. Prior to the turnaround of our dear company, about 10 years ago, investors were offloading their shares at a ridiculous discount and there were hardly any buyers. For years, the shares of the Company traded flat, with no interest from the investing and general public. Today – we see a different trend and a resurgence of interest – which is an affirmation and recognition of the great turnaround we have achieved in the Company and the shareholder value optimisation anchored in our Group's philosophy of Africapitalism.

ACKNOWLEDGMENTS

In closing, I would like to take this opportunity to extend my gratitude and best wishes to my colleagues on the Board, whose commitment and valuable counsel have propelled the Group forward.

I congratulate our President/Group CEO, Dr. (Mrs.) Owen Omogiafo, her subsidiary CEOs – Mr. Christopher Ezeafulukwe, Mrs. Dupe Olusola, Engr. Vincent Ozoude, Mr. Peter Ikenga, and the rest of the executive team for their excellent leadership, applaud the drive and commitment of all our colleagues that are instrumental in delivering the results set out in this report.

My appreciation also goes out to our valuable customers, business partners and all other critical stakeholders who have partnered and supported us in this exciting journey of growth.of growth.

Mr. Tony O. Elumelu, CFR
Chairman, Board of Directors

President/GCEO's Report

Dear Shareholders,

I am delighted to report on a remarkable year. It gives me great pleasure to reflect on the past year's performance and our commitment to pursuing our strategy of delivering sustainable, value-accretive growth for our stakeholders through building market-leading businesses.

This year's performance demonstrates the Group's resilience and is an indication of our ability to deliver year-in and year-out. Our power and hospitality businesses generated a ROCE of 23.2% and importantly, the performance was emulated in operational cash generation where operating cashflow improved from N27 billion to N37.4 billion. Group trading profit grew by 18%, increasing from N54.8 billion in 2021 to N66.6 billion in 2022.

Through all of this and like other companies globally, we contended with numerous adversities, including the lasting impact of the pandemic, economic uncertainty, FX shortages, insecurity, rising food costs, and inflation. Despite these challenges, we have delivered a robust performance, with most financial metrics ahead of pre-pandemic levels, optimized our existing assets, and unlocked value for our stakeholders as evidenced by the various corporate actions initiated during this financial year.

CHALLENGING OPERATING ENVIRONMENT

The operating environment was challenging during the period, with several factors influencing our sectors:

- Rising production costs due to global supply chain disruptions
- Global and local commodity price volatility
- Rising interest rate
- Foreign exchange volatility
- Rising inflation
- Insecurity
- Inadequate gas supply, poor transmission and distribution infrastructure, and liquidity challenges in the power sector.

In response to the challenging and, at times, volatile operating environment, we implemented several strategic initiatives across our various subsidiaries:

POWER

In the power sector, constant gas supply, poor transmission and distribution infrastructure, and liquidity challenges continue to impact Nigeria's power generation capacity.

Our power businesses – Transcorp Power Limited and Transafam Power Limited – navigated these challenges through strategic initiatives including:

- Engagement with existing gas suppliers to ensure adequate gas supply to our power plants to enable optimum utilization of our plant capacity.
- Exploration and execution of contracts with new gas suppliers to diversify our supply base.
- Investment in increasing our available and generating capacity.
- Implementation of a strong predictive maintenance strategy to ensure we increase our efficiency.
- 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.

These initiatives resulted in a significant increase in our available capacity - Transcorp Power Limited increased its available capacity by 200MW from 470MW to 670MW by the end of the year and Transafam Power Limited also increased its available capacity by 60MW from 128MW to 188MW.

In reaffirming our commitment to process improvement and excellence, Transcorp Power Limited obtained three ISO certifications covering Quality management systems (ISO 9001), Occupational health safety management systems (ISO 45001), and Environmental management systems (ISO 14001).

HOSPITALITY

The consistent rise in inflation rates, the sharp rise in energy costs, global supply chain issues, Naira devaluation, and insecurity impacted our cost of operations adversely. In response, we implemented the following:

- Continuous investment in innovation enabled us to remain dynamic, agile, and responsive to the volatile economic situation and changing guest preferences.
- Optimization of our existing assets to improve operational efficiency and value creation.
- Cost management strategies to ensure that remain competitive and profitable.
- Introduction of new product lines to increase customer experience.

Despite all the challenges, Transcorp Hotels Plc continued to deliver superior customer experience while retaining its position as the market leader in the hospitality industry.

Transcorp Hotels Plc recorded an impressive performance and overall growth in 2022, with an average occupancy rate of 79% surpassing the 67% recorded in 2021. This is unarguably the most impressive growth in the Nigerian hospitality environment.

In addition, we continue to leverage the Aura platform to redefine hospitality standards across Africa. Aura by Transcorp is a digital platform that connects travellers to unique properties, restaurants, and experiences across Africa starting from Nigeria. Some of the key achievements through the Aura brand include a presence in 15 states in Nigeria, and an increase in the

The 9th Annual General Meeting of Transcorp Hotels Plc

The commissioning of the rehabilitated GT20 unit at Transafam Power Ltd.

rooms under management to 6,521, cementing our place as the largest hotel in Sub-Saharan Africa.

OPERATING RESULTS AND FINANCIAL PERFORMANCE REVIEW

The Group continued to have improved performance during the year despite the economic challenges and environment. We experienced double-digit growth in performance, which shows our strong execution capacity in our different sectors.

REVENUE

Revenue for the Group in 2022 was N134.7bn, a 21% growth from N111.2bn in 2021. The increase of 21% was driven by 47% growth in Revenue from Hospitality business and 18% growth in Revenue from the Power businesses.

The company had a 91% improvement in Revenue from N5.1bn in 2021 and N9.77bn in 2022. The earning was driven by increased dividends earned from Subsidiary Companies' improved performance.

PROFIT

The Group recorded Profit Before Tax (PBT) of N30.3bn in 2022 compared to a PBT of N27.9bn in 2021. Group PAT declined by 29% due to accounting provision for deferred tax of N7bn and an exceptional income of N4.5bn booked in 2021 due to the consolidation of Afam. At the Company level, reflecting the improved performance of the subsidiary companies and sound financial management principles, Profit before tax and Profit after tax improved year on year by 110% each from N4bn and N3.4bn to N8.4bn and N7.1bn respectively.

ASSETS

Total Assets for the Group stood at N444bn in 2022, compared to N416bn in 2021. The increase in Property, Plant, and Equipment, and Trade receivables accounted for the growth in total assets. For the Company, total assets increased to N95.9bn in 2022 from N89.7bn in 2021, driven by an increase in investment in subsidiaries, receivables, and cash and cash equivalent. Shareholders' fund increased by 6% from N146.2bn to N154.8bn driven by the profit retained for the year. Total liabilities increased by 7% from N269.7bn to N287.9bn and the growth was driven by an increase in trade payables and deferred tax liabilities and decline in borrowings. It is noteworthy that the Groups' FX liabilities was reduced from $47m to $20m during the year and we expect this to be fully repaid in 2023.

AWARDS & RECOGNITIONS

In recognition of our performance and progress, we received awards at Group, Company, Subsidiary Company and Personal levels during the year.

At the Pearl Awards 2022, Transnational Corporation Plc emerged winner in 2 categories:

- Sectorial Leadership ward – Conglomerates
- Highest Dividend Cover Award

Transcorp Hotels also won in the sectoral leadership category, emerging the most outstanding hospitality brand of the year.

As a strong testament to our focus of Diversity, Equity and Inclusion (DEI), Hofstede Insights, a highly reputable international DEI organisation, recognised Transcorp Hotels as the most distinguished company in Diversity, Equity and Inclusion (DEI) in Nigeria, having emerged first out of 148 leading companies in Nigeria. Transcorp Group was also recognized as the best Diversity, Equity, and Inclusion Corporate Group in the same report.

Our hospitality sector continues to create a memorable impression driven by our consistency in delivering world-class guest experiences and excellent services across all its touch points.

Our flagship property, Transcorp Hilton Abuja also clinched multiple awards.

The 2022 Pearl Awards

The World Travel Awards:

- Africa's Leading Business Hotel, for the 8th Consecutive year
- Nigeria's Leading Business Hotel
- Nigeria's Leading Hotel
- Nigeria's Leading Hotel Suite (the Presidential Suite)
- Nigeria's Leading City Hotel

The Seven Star Awards:

- Best Luxury Hotel, Nigeria
- Best Luxury Business Hotel, Africa

This was the highest number of awards received by a single Company represented at the Awards ceremony and this speaks to local and international recognition of the quality and consistency of our service delivery. Transcorp Hotels Calabar emerged as the winner of the Best Hotel in Safety Compliance from the Cross Rivers State Safety Commission. Aura by Transcorp Hotels also received the special recognition award for Tourism Innovation at the 5th Edition of the Nigerian Tourism Awards.

In line with our strategy to position our leaders and improve our brand recognition, I was awarded the President of the Year Award at the Seven Star Luxury Awards and recognised as one of the 100 Most Influential African Women by Avance Media and Gabi Magazine.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

As a responsible corporate citizen, Transcorp recognizes that its impact extends beyond the services and experiences it provides. The company has embraced and maintained a corporate culture that prioritizes Environmental, Social, and Governance (ESG) principles in all aspects of its strategy and dealings.

In 2022, following the name change from Transnational Corporation of Nigeria Plc to Transnational Corporation Plc, Transcorp underwent a brand refresh and launched a new website to enhance stakeholder engagement. The company also improved operational efficiency by integrating financial systems and streamlining its sustainability strategy, reducing its sustainability impact pillars to five focus areas: Climate & Environment, Diversity & Inclusion, Community Impact & Empowerment, Wellness, Health & Safety, and Corporate Governance & Strategy.

Transcorp promotes healthy habits and initiatives aimed at improving people's lives. The Company has collaborated with organizations in its hospitality businesses to recycle soap slivers and provide cancer screenings. Through Transcorp Power Limited and Transafam Power Limited, we have also taken significant steps to provide healthcare services to our employees and the surrounding communities. Our clinics are equipped with medical equipment and staffed with qualified medical personnel to ensure that we provide quality healthcare services. We collaborate with healthcare providers to ensure that our employees and communities have access to specialized medical care when needed such as free monthly vital checks and medical treatments which are provided to indigenous peoples, expectant mothers, and children within our host communities.

In the education space, we continued to invest in our schools in Ughelli and Afam, to sustain the provision of quality education to children in our surrounding communities at highly subsidized costs. We believe that education is critical to socio-economic development and poverty reduction. Our investment in education is therefore not just a social responsibility but also a business imperative. We recognize that educated communities are more likely to have a skilled workforce, higher productivity, and a better standard of living.

At Transcorp, we are dedicated to conducting business with a sustainable approach and adhering to the highest ethical standards and principles of corporate governance.

Humans of Transcorp at the Transcorp Group 3-day 2023 Strategy Session

The Board of Directors is responsible for overseeing the company's performance, recognizing the interconnection of strategy, risk, performance, and sustainability.

Our governance framework outlines the governance laws applicable to each of the company's businesses as well as its principles and we are confident in their application during the previous year. The Board Members bring a diverse range of skills, experience, and expertise that is essential in fulfilling their responsibilities and driving long-term, sustainable value for all stakeholders.

Transcorp believes in the power of each individual to make a positive impact, which is why it incorporates a culture of innovation and efficiency into all aspects of its operations. The company understands that its goals and progress can positively impact the lives of people, communities, and the planet, ultimately working to transform the world.

PEOPLE, OUR GREATEST ASSET

We strive for a Transcorp that is relevant, innovative, and a future fit. This, we believe, can only be achieved if we ensure that all stakeholders are treated fairly and with respect. We are unwavering in our approach to providing a safe and healthy workplace with equal opportunities, conducive to learning and personal development.

Diversity and inclusion are critically important aspects and remain a big focus. This is evidenced by the recognition of our focus on building an inclusive workplace, with Transcorp Hotel Plc emerging first among 148 companies surveyed, by Hofstede International as the best company in Diversity, Equity, and Inclusion, with Transcorp Group emerging first in the group category.

Today, 67% of our employees are male and 33% are female. At the Board level, 33% of the Directors are female. At our most senior level of leadership, 50% are male and 50% female.

Our Employee Satisfaction Index increased significantly, with an over 80% average across the group. Noting the value, we place on employees; we are gladdened by these results.

LOOKING AHEAD

We have reason to remain bullish about the coming year. We see several opportunities within the sectors we operate and are strategically positioned to take advantage of opportunities for better performance in 2023.

To ensure we deliver value to our shareholders, we would focus on optimizing our portfolio by allocating and reallocation capital to higher-return businesses and/or opportunities. This process includes both organic activities and potential corporate action and, as a result, our portfolio of businesses may evolve over time.

Transcorp Power Limited

We look forward to ramping up our generation to increase available capacity and our focus for 2023 is to increase our available capacity from 670MW to 800MW in 2023, taking into consideration the limitation in the transmission and distribution capacities. To this end, four of our H25 generating turbines which were strategically taken out of inventory for refurbishment during the year will return to operation in 2023. These four turbines contribute about 100MW to our available capacity. This, together with the improved gas supply, which we are aggressively pursuing, would provide a solid foundation for a strong performance in 2023. We plan to further consolidate on the existing benefits from our membership of the West African Power Pool (WAPP) by increasing our share of the regional electricity market.

Transcorp Hotels Plc

Our focus for the Hospitality business will be on maximizing the potential of our existing assets, completing the Transcorp Event Centre of the Transcorp Events Centre in Abuja, a 5000-capacity purpose-built facility featuring state-of-the-art amenities which will serve as a suitable venue to host medium to large scale events such as trade fairs, concerts, and weddings, implementing cost-saving strategies, upgrading facilities, and continuously improving customer experience.

A dual strategy of "Exploring while Developing" will be deployed in 2023 to expedite progress towards our end-of-year goal.

In line with our strategic objective to provide premium hospitality services in Nigeria, we are in the pre-development phase of our Lagos hotel project - Transcorp Hotels Ikoyi, Lagos. We are obtaining all the relevant approval and permits from the Lagos State Government for the hotel and aim to commence construction in 2024 with a view to launching it in 2027. The hotel will be an iconic five-star (5-star) hospitality destination with state-of-the-art facilities situated on Glover Road, Ikoyi, Lagos State.

In addition, in a bid to improve operational efficiencies, reduce costs and maximize value to our stakeholders, we are fully divesting from Transcorp Hotels Calabar. The divestment will enable us to refocus and reposition Transcorp Hotel Plc as a leading hospitality business in Nigeria and Africa.

Lastly, we intend to focus on cost optimization, robust financial management processes, and procedures, improved service offerings, and customer experience and upgrade of existing facilities to ensure we deliver superior results to our stakeholders.

Transafam Power Limited

We aim to increase available capacity and maintain consistent generation. We are taking measures to resolve the gas supply issues to ensure stable, reliable energy generation. We rehabilitated the 138MW rated Afam 5 GT 20 Gas Turbine power-generating unit which had been out of service for over 15 years prior to our takeover in March 2021. We also expect that the Afam III Fast Power will be commissioned in 2023, bringing an additional 240 MW, which will increase our available capacity from 188MW to 428MW.

Transcorp OPL 281

Transcorp Energy is making good progress with respect to maturing OPL 281 asset. Development studies have been completed for phase 1, and goal remains to achieve planned production in Q4 of 2023. In line with the Petroleum Industry Act, the process of voluntary conversion of the Asset is currently ongoing and expected to conclude by Q2, 2023. We will focus on completing minimum work obligations and achieving accelerated production.

We will continue to improve on past successes by differentiating our services, pursuing world-class operational excellence, managing our cost base, and taking advantage of growth opportunities in our existing sectors and new sectors.

CONCLUSION

I am very excited about the future of Transcorp Group. My priorities for 2023 include growth, operational excellence, financial strength, people management, and sustainable development. The Group is well positioned and aligned to deliver improved performance, ensuring value-adding returns for all stakeholders and continuing our societal contribution. I am dedicated and focused on fulfilling this strategy in 2023 and beyond.

With the opportunities abounding in the economy, we expect to consolidate the gains made and expand our resilience to deal with the ever-dynamic business environment. We remain focused on taking advantage of this foundation to create long-term value for all stakeholders and to position Transcorp as a pan-African conglomerate institution. We will continue to drive our operation through the excellent execution of our strategies.

I would like to thank our shareholders for their continued support and confidence in us. I assure you that we will continue to strive relentlessly to ensure better performance by the Company. I also thank the management and staff for their loyalty and dedication to the Company. Finally, I thank the Chairman and all Board members for their exemplary leadership, guidance, and ever-reliable support.

We are Transcorp. We improve lives. We transform societies.

Thank you.

Owen Omogiafo
President

ESG & Sustainability **Report**

Demonstrating strength and resilience while remaining true to our purpose!

As a responsible corporate citizen, Transnational Corporation Plc (Transcorp) recognizes that its impact extends beyond the services and experiences it provides. The Company has embraced and maintained a corporate culture that prioritizes Environmental, Social, and Governance (ESG) principles in all aspects of its strategy and dealings.

As a leading publicly quoted and diversified conglomerate, sensitive to the increasing importance of sustainability both to our stakeholders and the general society, we remain dedicated and committed to the betterment of the communities in which our investments are situated and the world at large.

In support of Transcorp's sustainability strategy to Transform our World, the Company streamlined its ESG Strategy under the following sustainability impact pillars: Climate & Environment, Diversity & Inclusion, Community Impact & Empowerment, Wellness, Health & Safety and Corporate Governance & Strategy.

ENVIRONMENT

Climate & Environment

We believe our company's ESG goals and progress can make a difference for our business, communities, and the planet. We also know we cannot attain these goals in isolation. To encourage collective action, we are also raising awareness within our communities and communicating the importance of recycling while keeping our environment clean.

We are committed to managing and minimizing our environmental effect while fostering a strong environmentally conscious culture, as guided by our Health, Safety, Security, and Environment (HSSE) policy. This is accomplished through the implementation of environmental protection programs, proactive risk assessment and management, and the adoption of best practices to continuously enhance our performance while minimizing and controlling all areas of our environmental footprint. We deliberately reduce our emissions, respect the land on which we operate, and engage in water conservation methods as part of 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. The hotel also cooperated with Chanja Datti on Recyclable Waste Collection and, to the extent practicable, used environmentally friendly products and services.

We launched the Transafam Environmental Transformation Initiative (TETI) as part of our efforts to ensure that our power generation operations do not have an ongoing harmful impact on the environment. This effort encourages a clean and healthy environment, as well as good health and proper waste management and disposal education. Our staff participate in a sanitation day exercise with people from the host community to help sensitize and clean their immediate surroundings. The initiative's goal is to encourage the usage of suitable waste disposal techniques.

Transafam Power Environmental Transformation Initiative

SOCIAL

Diversity & Inclusion

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

The Company's fundamental principles of its 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 think that cultivating an open communication culture leads to effective decision-making and drives creativity, both of which are essential for achieving operational excellence. In 2022, we launched our new website following the name change from Transnational Corporation of Nigeria Plc to Transnational Corporation Plc to provide a more engaging platform and drive an enhanced stakeholder engagement process.

Our employees are at the heart of all that we do as a business and are also crucial to achieving operational excellence. We have worked hard to establish solid relationships with our employees, purposefully creating opportunities for direct interaction between management and staff in order to promote an organizational culture of open and continuous communication at all levels. Our 3Es of Enterprise, Execution and Excellence lay the groundwork for our dedication to a diverse workforce and a welcoming workplace. Furthermore, through our Humans of Transcorp (HOT) initiative, we have been able to drive the One Transcorp inclusive culture which we understand is critical towards the achievement of our 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.

The Company's position as an equal opportunity employer also guarantees employees the right to be treated fairly without discrimination on the grounds of race, ethnicity, gender, age, disability, education, personalities, religion, or experience. While we've made significant progress in broadening our perspectives, our organization remains committed to maintaining and expanding our diversity. It comes as no surprise that the Transcorp Group was also recognised as one of the leading Diversity Equity and Inclusion Companies in Nigeria.

Humans of Transcorp

Community Impact & Empowerment

During the year, Transcorp through its businesses partnered with the Tony Elumelu Foundation (TEF), a non-profit organization to extend our reach to more members of the community. The Tony Elumelu Foundation which is a leading champion for entrepreneurship in Africa drives the empowerment of both male and females across the African continent, catalysing economic growth, driving poverty eradication, and ensuring job creation.

Transcorp, through its power businesses also sustained the Vocational Skill Training and Entrepreneur Empowerment program 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. Transcorp Hotels also sustained the empowerment of women within its community in the fashion business, producing string bags from old linen, the other CSR actions carried out by Transcorp Hotels were either done solely or in collaboration with local communities and NGOs. Transcorp Hotels engaged in the following social activities:

- We sponsored Project Pink Blue, a non-governmental organization in Abuja that raises funds for cancer patients as well as awareness about cancer.
- Sustained monthly donations of food, bed linens, duvet covers, and pillowcases to Daughters of Charity Hospital.
- To celebrate, World Food Safety Day, our Hotels (Transcorp Hilton Abuja & Transcorp Hotels Calabar) hosted students explaining the importance of food safety and hygiene.

Transcorp Hotels' Cancer Awareness Walk

Transcorp Power 's graduation & Induction vocational skills training and entrepreneur empowerment ceremony

Transafam Power Environmental Transformation Initiative

Transcorp Hotels' Soap for Hope Initiative

Wellness, Health & Safety

One of the most critical parts of a company's success is also a safe workplace. At Transcorp, we are committed to ensuring that the people who work to offer our services and provide experiences to our customers leave work as healthy and safe as they arrived.

In 2022, we strengthened our Wellness, Safety, and Health Awareness plan as we pushed performance across our businesses, reinforcing our impact pillar. To identify and reduce the likelihood of serious incidents occurring in our facilities, we implemented a safety program which includes a set of front-line and management responsibilities and behaviours that must be proactively demonstrated, conducted toolbox and safety talks, performed job hazard analysis and assessments to recognize, evaluate and ensure controls are in place to prevent such incidents from occurring. We work to identify and control preventable serious injuries in our system's facilities.

Although we promote a learning atmosphere by interacting directly with employees on a frequent basis to identify hidden safety risks and problems and to encourage transparency, we also perform unannounced on-site audits throughout our locations on a regular basis to certify workplace safety.

While our injury rates have steadily improved, we continue to have preventable incidents within our business locations. We believe that one preventable serious injury brings us closer to our overall goal, which is why we have processes in place to ensure our employees and contractors report all injuries, regardless of severity.

GOVERNANCE

Corporate Governance & Strategy

At Transcorp, our business principles and practices are designed to foster an innovative and collaborative culture—a culture that is committed to ethical behaviour, accountability, and transparency. The company's Board of Directors has established relevant committees to assist in discharging its governance duties. These are an Audit & Governance Committee (AGC), a Finance & Investment Committee (FIC), and an Executive Management Committee (EMC). Each of the Committee's activities is driven by its Charter along with other Board approved policies and documentation.

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@transcorpgroup.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.

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.

AWARDS AND RECOGNITIONS

During the year 2022, Transcorp also sustained its award-winning streak through the achievements attained by our subsidiary businesses.

The President/GCEO presented with the President of the Year award at the 2022 Seven Stars Awards

Aura by Transcorp Hotels Plc presented with the Special Recognition Award for Tourism Innovation at the 2022 Nigerian Tourism Awards

Our Shareholders at the 16th Annual General Meeting

Facts behind the figures and ringing of the gong at the Nigerian Nigerian Exchange Group

Transcorp Power signed a new PPA with SBEE of Cotonou, Republic of Benin, for a renewable two year term.

Transafam Power staff in Lagos for the Tony Elumelu Foundation mentorship programme

Transcorp Group 3-day 2023 Strategy Session





President/ Group CEO's visit to Transcorp Power Ltd, Ughelli, Delta State.

Transcorp Group's First Physical Board Meeting since the pandemic

President/ Group CEO's visit to Transafam Power Ltd, Rivers State, for the commissioning of the rehabilitated GT20 unit.

Transcorp Power hosts the Army War College Nigeria (AWCN)

Transcorp Power hosts the 8th graduation and 9th Induction vocational skills training and entrepreneur empowerment ceremony

Executive management comittee meeting

Transcorp Power Ltd signs the ECOWAS Regional Electricity Market(EREM) Participation Agreement

Our Group Chairman, Tony Elumelu CFR at our Christmas tree lighting & carol ceremony

Corporate Governance Report

Transnational Corporation Plc ("Transcorp" or "the Company") is committed to upholding the highest standards of corporate governance by institutionalising its principles and adopting an excellent corporate governance and 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

1.1 During the year ended 31 December 2022, 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.

1.2 To ensure continued compliance, the Board was of a sufficient size of nine (9) Directors with four (4) Independent Non-Executive Directors, increasing the degree of objectivity to the Board in the control and direction of the Company's activities. Further, the Board was effectively and efficiently supported by the well-structured Board Committees, i.e., the Finance and Investment Committee and the Board Audit and Governance Committee which 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.

1.3 The Company's sustained drive to institutionalise best practices, structures, and policies is visibly evident in the update of its Human Resource Policy and Whistleblowing Policy in the year under review. The following are details of some of the Policies that promote good Corporate Governance within the Company:

1.3.1 Group Policy Governance Framework

This framework explains the governance laws applicable to the Company's businesses. It provides for policy development and application, policy classification, review, and revision as well as policy deviations and guiding templates.

1.3.2 Board Governance and Board Committees Governance Charter

This Charter provides the governance framework for the Group Board and Board Committees and promotes the effective governance of the Group.

1.3.3 Executive Management Charter

This Charter provides for the Executive Management Committee (EMC) of the Company – its composition, role, terms of reference, proceedings, and general governance framework.

1.3.4 Subsidiary Governance Charter

The Subsidiary Governance Charter provides for Group subsidiary governance and structure, subsidiary Boards of Directors, subsidiary governance structure, subsidiary board committees, executive management, and organization structure.

1.3.5 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 of 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 sign an undertaking to abide by the provisions of the Code.

1.3.6 Sustainability Policy

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

2. Board of Directors

2.1. General

In the financial year 2022, the Board of Directors consisted of nine (9) members consisting of one (1) Executive Director (the President/GCEO) and eight (8) Non-Executive Directors, four 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 stakeholders of the Company, 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 the Directors' attendance at Board meetings are disclosed on page 63 of the Annual Report. The Board establishes formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the 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 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 it 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 in place 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 program to become knowledgeable about the business, its governance structure, its key officers, its subsidiary businesses, facilities, and operational procedures. They are subsequently trained along with other Board members Group-wide.

Separation of the position of Chairman and Managing Director

In compliance with good corporate governance practices, 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

SN	Director	Position	Date appointed to the Board	Date(s) re-appointed/re-elected	Date of Resignations / Retirement
1.	Mr. Tony Elumelu CFR	Chairman	April 14, 2011	June 21, 2013, April 29, 2016, March 15, 2019, April 21, 2022	N/A
2.	Dr. (Mrs.) Foluke Abdulrazaq	Vice Chairman/Independent Non-Executive Director	June 5, 2020	April 21, 2022	N/A
3.	Dr. (Mrs.) Owen Omogiafo	President/GCEO	March 25, 2020	N/A	N/A
4.	Mr. Emmanuel N. Nnorom	Non-Executive Director	December 16, 2013	March 15, 2019, 26 April 2021	N/A
5.	Dr. Stanley Lawson	Non-Executive Director	September 19, 2011	June 21, 2013, May 8, 2015, April 30, 2018, April 21, 2022	N/A
6.	Mrs. Toyin Sanni	Non-Executive Director	October 30, 2018	April 26, 2021	N/A
7.	Mr. Victor Famuyibo	Independent Non-Executive Director	April 22, 2021	N/A	N/A
8.	Mallam Ahmadu Sambo	Independent Non-Executive Director	April 22, 2021	N/A	N/A
9.	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	March 14, May 18, August 24, and December 7
Dr. (Mrs.) Foluke Abdulrazaq	4	4	March 14, May 18, August 24, and December 7
Dr. (Mrs.) Owen Omogiafo	4	4	March 14, May 18, August 24, and December 7
Mr. Emmanuel Nnorom	4	4	March 14, May 18, August 24, and December 7
Dr. Stanley Lawson	4	4	March 14, May 18, August 24, and December 7
Mrs. Toyin Sanni	4	3	March 14, May 18, and August 24
Mr. Victor Famuyibo	4	4	March 14, May 18, August 24, and December 7
Mallam Ahmadu Sambo	4	4	March 14, May 18, August 24, and December 7
Mr. Oliver Andrews	4	3	May 18, August 24, and December 7

Retirement by Rotation:

The Directors to retire by rotation and offer themselves for re-election are Mr. Emmanuel Nnorom, Mrs. Toyin Sanni, and Mr. Victor Famuyibo.

2.4. Board Committees

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

2.4.1 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:

- Approving recruitments, promotions, redeployments, and disengagements of Group Heads of Departments that make up the Executive Management Committee.
- Reviewing and evaluating the required skills of members of the Board.
- 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 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 Committee comprised three (3) 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. Mr. Victor Famuyibo - Member

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended (dd/mm/yy)
Dr. Stanley Lawson	4	4	February 23, May 11, July 25, and October 25.
Mr. Emmanuel N. Nnorom	4	4	February 23, May 11, July 25, and October 25.
Mr. Victor Famuyibo	4	4	February 23, May 11, July 25, and October 25.

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 financial performance and budgeting.
- Reviewing and recommending investment opportunities or initiatives to the Board for decision.
- Assisting the Board in fulfilling its oversight responsibilities regarding risk management.
- 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 Company's cost management initiatives, Dividend proposal, quarterly financial statements, tax-related matters, funding requirements of operating businesses, budgets, earnings forecasts, risk management reports, progress on key investments, and more.

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

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

Mr. Emmanuel N. Nnorom - Chairman
Dr. (Mrs.) Owen Omogiafo - Member
Mrs. Toyin Sanni - Member
Mallam Ahmadu Sambo - Member

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended (dd/mm/yy)
Mr. Emmanuel Nnorom	4	4	February 23, April 27, July 25, and October 25
Dr. (Mrs.) Owen Omogiafo	4	4	February 23, April 27, July 25, and October 25
Mrs. Toyin Sanni	4	4	February 23, April 27, July 25, and October 25
Mallam Ahmadu Sambo	4	4	February 23, April 27, July 25, and October 25
Mr. Oliver Andrews	4	4	February 23, April 27, July 25, and October 25

2.4.2.6 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.

2.4.2.7 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, among other things; ascertain whether the Company's accounting and reporting policies are in line with legal requirements and agreed on ethical practices, review the Company's audit and internal control systems, and findings on management matters together with departmental responses.

2.5.2 The SAC composition was reviewed in the 2022 financial year 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. Mr Victor Famuyibo - Member (Director representative)

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

Members	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended. (dd/mm/yy)
Mr. John Isesele	4	4	March 14, May 18, August 24, and November 24
Mr. Matthew Esonanjor	4	4	March 14, May 18, August 24, and November 24
Ms. Judith Rapu	4	4	March 14, May 18, August 24, and November 24
Dr. Stanley Lawson	4	4	March 14, May 18, August 24, and November 24
Mr. Victor Famuyibo*	3	3	May 18, August 24, and November 24

*Mr. Victor Famuyibo did not attend the meeting on March 14th, 2022 because his appointment to the SAC was confirmed at the Annual General Meeting held in April 21, 2022.

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:

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

2.6.2 The Executive Management Committee comprises:

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

2.6.3 The EMC is responsible for the management of the Group's businesses. To ensure effective and efficient administration of the Company and its subsidiary affairs, the EMC was split into two sections, namely the Group EMC and the Company EMC during the year under review. Both EMCs meet monthly to consider operational matters and the President/GCEO is the Chairman of both EMC sections.

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 KPIs 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 for the year ended December 31, 2022, in line with the requirements of the Nigerian Code of Corporate Governance.

The Statements by the external consultant on the Board and Corporate Governance evaluation are contained on pages 78 and 79 of the Annual Report respectively and covers the summary of 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 female 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.

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 three (3) years as the Company's Independent Auditors. By section 401(2) Companies and Allied Matters Act 2020, Deloitte & Touche has indicated its willingness to continue after its third year as an independent Auditor of the company. The directors shall seek members' authorisation at the Annual General Meeting to fix their remuneration.

Director's **Report**

The Directors have the pleasure of submitting their report on the consolidated and separate financial statements of Transnational Corporation Plc ("the Company" and the Group) for the year ended 31 December 2022.

1. PRINCIPAL ACTIVITIES

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

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

Full details of the financial position, results of operations and cash flows of the Group and Company are set out on pages 85 to 91 of these consolidated and separate financial statements. The summarised results are presented below.

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Revenue	134,721,185	111,219,336	10,318,046	5,127,383
Gross profit	66,420,796	54,779,395	10,318,046	5,127,383
Profit before tax	30,276,333	27,998,554	8,439,745	4,022,153
Tax	(13,436,609)	(4,167,102)	(1,223,768)	(587,789)
Profit after tax	**16,839,724**	**23,831,452**	**7,215,977**	**3,434,364**

3. DIRECTORATE

The Directors in office at the date of this report are as follows:

Directors	Designation
Mr. Tony O. Elumelu, CFR	Chairman
Dr. (Mrs.) Foluke Abdulrazaq	Vice Chairman / Independent Non-Executive Director
Dr. (Mrs.) Owen Omogiafo	President
Mr. Emmanuel N. Nnorom	Non-Executive Director
Mr. Victor Famuyibo	Independent Non-Executive Director
Dr. Stanley Lawson	Non-Executive Director
Mr. Oliver Andrew	Independent Non-Executive Director
Mallam Ahmadu Sambo	Independent Non-Executive Director
Mrs. Toyin Sanni	Non-Executive Director

4. DIRECTORS INTERESTS IN SHARES

The interests of each Director in the issued share capital of the Company as recorded in the register of Directors' shareholding as at 31 December 2022 were as follows:

Directors	Designation	2022 Direct	2021 Direct	2022 Indirect	2021 Indirect
Mr. Tony O. Elumelu, CFR*	Chairman	273,104,041	273,104,041	293,983,193	293,983,193
				273,545,722	273,545,722
Dr. (Mrs.) Foluke Abdulrazaq	Vice Chairman / Independent Non-Executive Director	-	-	-	-
Dr. (Mrs.) Owen Omogiafo	President	12,634,188	12,634,188	-	-
Mr. Emmanuel N. Nnorom**	Non-Executive Director	-	-	11,653,487	11,653,487
Mr. Victor Famuyibo	Independent Non-Executive Director	300,000	-	-	-
Dr. Stanley Lawson	Non-Executive Director	122,790,102	122,790,102	-	-
Mr. Oliver Andrew	Independent Non-Executive Director	-	-	-	-
Mallam Ahmadu Sambo	Independent Non-Executive Director	-	-	-	-
Mrs. Toyin Sanni	Non-Executive Director	31,506	31,506	-	-

*293,983,193 shares are held indirectly through HH Capital Limited and 273,545,722 shares are held indirectly through Heirs Holdings Limited.

**11,653,487 shares are held indirectly through Vine Foods Limited.

There have been no changes in beneficial interests that occurred between the end of the reporting year and the date of this report.

5. DIRECTORS' INTERESTS IN CONTRACTS

None of the Directors notified the Company of any direct or indirect interest in contracts or proposed contracts with the Company during the year for the purpose 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 Board of Directors have approved the payment of N2,032,399,514.65 (2021:N812,959,805.86), being 5 kobo per share on the outstanding ordinary shares of 40,647,990,293 shares of 50 kobo each for the year ended 31 December 2022. This is subject to shareholders declaration of same as dividend for the year at the next Annual General Meeting (AGM). WIthholding tax at the applicable rate will be deducted at the time of payment.

8. SHARE CAPITAL

As at 31 December 2022, only UBA Nominees Limited-Trading, held 5% or more of the issued and fully paid shares of 50 kobo of the Company.

	2022	2021	2022	2021
			Percentage of shares	
UBA Nominees Limited - Trading	3,760,000	3,762,647	9.25%	9.26%

There has been no change in the issued share capital during the year under review. The analysis of shareholders as at 31 December 2022 is shown below:

Range	No of Holders	Holder %	Holders Cumulated	Units
Range	No. of Holders	Percentage %	Holdings (number)	Percentage %
1-1000	5,908	2.11	2,344,729	0.01
1001- 5,000	177,030	63.25	333,055,295	0.82
5,001 - 10,000	32,119	11.47	200,915,105	0.49
10,001 - 50,000	47,207	16.87	855,676,609	2.11
50,001 - 100,000	6,645	2.37	429,928,698	1.06
100,001 - 500,000	8,140	2.91	1,621,100,901	3.99
500,001 - 1,000,000	1,160	0.41	797,768,228	1.96
1,000,001 - 999,999,999,999	1,696	0.61	36,407,200,728	89.56
Total	**279,905**	**100**	**40,647,990,293**	**100.00**

Shareholding Structure as of December 31, 2022

Holder type	Holder count	Holdings (number)	Percentage %
Individual	275,934	17,002,378,230	41.83
Government	17	1,876,038	0.00
Corporate	2,748	22,184,797,657	54.58
Foreign	114	1,272,190,020	3.13
Pension	12	37,956,091	0.09
Joint	1,079	148,790,457	0.37
Institution	1	1,800	0.00
Total	**279,905**	**40,647,990,293**	**100**

9. SHARE CAPITAL HISTORY

The following changes have taken place in the Company's share capital since inception.

Year	Authorised (N)		Issued & Fully Paid-up		Consideration
	Increase (N)	Cumulative (N)	Increase (N)	Cumulative (N)	
2004	100,000,000	100,000,000	25,000,000	25,000,000	Cash
2006	100,000,000	200,000,000	25,000,000	50,000,000	Stock Split
2006	35,800,000,000	36,000,000,000	18,503,905,526	18,553,905,526	Cash
2007	-	36,000,000,000	7,260,092,757	25,813,998,283	Cash
2013	9,000,000,000	45,000,000,000	12,906,998,142	38,720,996,425	Right issue
2016	-	45,000,000,000	1,926,993,868	40,647,990,293	Bonus issue
2022	(4,352,009,707)	40,647,990,293	-	40,647,990,293	Share cancellation

10. PROPERTY, PLANT, AND EQUIPMENT

Information relating to movement in property, plant & equipment is shown in Note 20 to the consolidated and Separate financial statements. In the opinion of the Directors, the market values of the Group and Company's properties are not less than the value shown in these financial statements.

11. EMPLOYMENT AND EMPLOYEES

Equality of opportunity, diversity and inclusion are a part of Transnational Corporation Plc's identity.

a) Employment of Physically Challenged Persons

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

b) Health, Safety and Environment

The Group maintains business premises and a work environment that promote the safety and health of its employees and other stakeholders. The Group's rules and practices in these regards are reviewed and tested regularly. Also, the Group provides medical insurance for its employees and their families through select health management organizations and hospitals.

c) Employees Development, Training and Engagement

The Group places a high premium on the development of its manpower and consults with employees on matters affecting their wellbeing. In the year 2022, formal classroom, onsite and offsite trainings, as well as online training courses were deployed in training and re-training all staff at various levels. The Group's skill base has been extended by a range of training provided to the employees, whose opportunity for career development within the Group has been enhanced.

Employees are kept fully informed of the Group's performance, and the Group operates an open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them. Employees in the hospitality business are also involved in the affairs of the Group through the service charge bonus scheme, which entitles them to a percentage of the hotel's service charge revenue.

12. DONATIONS

No donation was made to any political party during the year.

The value of gifts and donations made by the Group during the year are analysed as follows:

	2022	2021
	N'000	N'000
Daughters of Charity food supply	4,077,203	3,482,439
Sewing Machine & accessories for Ace charity	1,033,620	-
Donation of Items for Aged (CSR Initiative)	108,576	303,900
	5,219,399	**3,786,339**

13. SECURITIES TRADING POLICY

The Group'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, Management and Employees are regularly notified of closed periods. There was no insider trading recorded during the year.

14. COMPLAINT MANAGEMENT PROCEDURE

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

15. RISK MANAGEMENT POLICY AND PRACTICES

The Group has an Enterprise Risk Management Framework, which sets out the governance structure, process and policy requirements for the consistent management of risk. The Enterprise Risk Management Framework was developed to institutionalize risk management practices across Transnational Corporation Plc.

It covers the Framework principles such as Risk Management Objectives, Risk Management Strategies, Risk Management Philosophy and Culture, Risk Appetite and Risk Oversight as well as the processes including risk identification, analysis, management, monitoring, reporting and communication. The Board sets the tone and risk appetite for each business and risks identified. Management assesses the risks following quarterly risk assessment exercises. The Finance and Investment Committee (FIC) has oversight for risk management. The risk report is presented quarterly at each FIC meeting and key risks noted are escalated to the Board with recommendations from the FIC. The risk management systems and practices at the Company are effective and efficient.

16. FINES AND PENALTIES

During the year, Transcorp Hotels Plc paid a penalty fee for the change of use of right issue proceeds. The total amount was N2,750,000.

17. THE NATURE OF ANY RELATED PARTY RELATIONSHIP AND TRANSACTION

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	Group		Company	
Amount due to related parties	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Transcorp Power Limited	-	-	7,714,200	8,264,883
Heirs Oil and Gas and related companies	2,303,998	1,751,336	-	-
	2,303,998	**1,751,336**	**7,714,200**	**8,264,883**
Amount due from related parties				
Transcorp Power Limited	-	-	2,610,742	1,863,537
Teragro Commodities Limited	-	-	-	1,751,457

Amount due to related parties	Group 2022 N'000	2021 N'000	Company 2022 N'000	2021 N'000
Transcorp OPL 281 Limited	-	-	10,976,222	9,673,657
Transcorp Hotels Plc	-	-	4,686,061	5,058,564
Transcorp Hotels Calabar Limited	-	-	44,999	35,373
Transafam Power Ltd	-	-	18,385,000	18,385,000
Transcorp Energy Limited	-	-	193,487	193,487
	-	**-**	**36,896,511**	**36,961,075**

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 regularly. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Company recognised N1.1bn (2021:N2.8bn) as provision for expected credit losses relating to amounts owed by related parties.

Group

During the year, Heirs Oil and Gas (HHOG) supplied gas to Afam Power Plc amounting to N1.08 billion (2021: N826 million), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by HHOG related companies to Transnational Group amounting to N2.2 billion (2021: N2.8 billion) during the year; these are included in administrative expenses.

Related party borrowings

Included in the amount due from Transcorp OPL 281 Limited is N7.4b loan at 13%. The loan with Transafam Power Limited is N250m loan at 13%.

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

18. OTHER TERMS

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

19. EVENTS AFTER THE REPORTING DATE

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report which have not been adequately provided for and which could have a material effect on the financial position of the Company as at 31 December 2022.

20. TERMS OF APPOINTMENT OF AUDITORS

Messrs. Deloitte & Touche having satisfied the relevant corporate governance rules, have indicated willingness to continue in office as auditors to the Group. In accordance with Section 401(2) of Companies and Allied Matters, Act 2020, the auditors will be re-appointed at the next Annual General Meeting of the Group without any resolution being passed.

Signed on behalf of the Board of Directors By:

Funmilayo Olofintuyi

FRC/2022/PRO/NBA/002/316763

Ag. Group Company Secretary

24 February 2023.

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

The Board of Directors of Transnational Corporation 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 2022.

Transcorp has consistently embraced and sustained the corporate culture as well as the social commitment of a responsible corporate citizen, driving the integration of Environmental, Social, and Governance (ESG) principles in all facets of the company's strategy, investment decisions, and dealings. The Company recognizes that the impact it has on people's lives extends beyond the power generated or the hospitality services and experiences being offered.

The core values of Excellence, Enterprise, & Execution (3Es) form the foundation of who we are as an Institution and serve as strategic support for the fulfilment of our ESG objectives driven through the sustainability pillars. These fundamental elements and commitment inspire the company to make a positive impact in all its business dealings while determining how we collaborate with our respective stakeholders to realize value and sustain growth.

Transcorp increased its efforts to improve operational efficiency through technology in 2022 and made a critical decision to streamline its sustainability strategy, reviewing its sustainability pillars as follows: Climate & Environment, Diversity & Inclusion, Community Impact & Empowerment, Wellness, Health & Safety, and Corporate Governance & Strategy. We embarked on several CSR activities focused on these pillars; details of which can be found in the sustainability report.

The Company continually sought to minimise any detrimental impact of its operations on the local community in terms of water, air, noise, and light pollution through the environment by establishing policies that govern the Company's activities across each of our businesses. As an organisation, we worked to promote healthy habits aimed at saving lives through the respective businesses and consistently contributed to the community by providing high-quality education at a significantly subsidised cost through our schools located in Ughelli and Okoloma where the power businesses are located.

The Company 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, personality, religion, or experience. To reinforce this commitment, the Company sought out ways to actualise balance across job functions and responsibilities.

We treat all our stakeholders with the same sense of responsibility, approaching each of them openly, transparently, and with a strong sense of commitment. We recognize that engaging stakeholders and establishing collaborative partnerships are critical components of our ESG strategy, our goal has been to build mutual understanding, trust, and cooperation with stakeholder groups on sustainability-related matters.

The Board also recognizes that there are possible risks and opportunities within its respective businesses on matters pertaining to sustainability which also have a notable impact on the Company's strategy. To guarantee adequate oversight of these risks, quarterly supervision and monitoring of the risk strategy were undertaken while taking the Group's risk appetite into account, with a particular emphasis on broad programs centred on 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 required to attain consistency in value creation, preservation, and protection targets. We understand that together, Transcorp can transform the lives of our stakeholders, our businesses, our communities, and our world.

Thank you.

Tony O. Elumelu, CON
Chairman, Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors of Transnational Corporation 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 of 31 December 2022, and the results of its operations, cash flows, and changes in equity for the year then ended, in compliance with International Financial Reporting Council of Nigeria ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria, and the Financial Reporting Council of Nigeria Act, 2011.

a. In preparing the financial statements, the Directors are responsible for:
b. properly selecting and applying accounting policies
c. Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information.
d. Providing additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events, and conditions of 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

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

CERTIFICATION OF FINANCIAL STATEMENTS

In accordance with section 405 of the Companies and Allied Matters 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 nsure 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's ability to record, process, summarise and report financial data, and have 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
iii. 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 2022 were approved by the Directors on 24 February 2023.

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

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

Transcorp

REPORT OF THE STATUTORY AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2022

To the members of Transnational Corporation 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 Plc ("the Company"), hereby report that:

(a) The accounting and reporting policies of the Company for the year ended 31 December 2022 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 2022 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 Plc

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

Dated this 24th day of February 2023

Members of the Statutory Audit Committee

1.	Mr. John Isesele	-	Chairman
2.	Mr. Matthew Esonanjor	-	Member
3.	Ms. Judith Rapu	-	Member
4.	Dr. Stanley Lawson	-	Member
5.	Mr. Victor Famuyibo	-	Member

AA&Co

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

March 1, 2023

Statement by the External Consultants on the Board Evaluation of Transcorp Plc for the year ended December 31, 2022

The Board of Directors of Transnational Corporation Plc ("Transcorp Plc." or the "Company"), engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2022, in line with the requirements of Principle 14 of the Financial Reporting Council's Nigerian Code of Corporate Governance (NCCG). 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 NCCG, Securities and Exchange Commission's 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.

Transcorp Plc. has a strong Board guided by 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 the Board and Board Committee meetings held in 2022.

The Board and its Committees are 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 2022, over 30% of the Board of Transcorp Plc. was female, this is in line with global best practice and a strong indicator of 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 systems in line with global best practice. Its corporate governance framework is optimized, and the Company has extensively applied the 28 principles of the NCCG.

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

Angela Aneke

Angela Aneke
Managing Director

AA&Co

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

March 1, 2023

Statement by the External Consultants on the Corporate Governance Evaluation of Transcorp Plc. for the year ended December 31, 2022

The Board of Directors of Transnational Corporation Plc. ("Transcorp Plc." or the "Company"), engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2022, in line with the requirements of Principle 15 of the Financial Reporting Council's Nigerian Code of Corporate Governance (NCCG). 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 NCCG, Securities and Exchange Commission's Corporate Governance Guidelines (SCGG), the Company's corporate governance framework, as well as global best practice.

Our methodology included a review of documents provided by the Company, research on global best practice, interviews, and questionnaires, including an online self and peer assessment by members of the Board. Our detailed report has been submitted to the Board of Directors for their adoption and further action.

Transcorp Plc. has a well established system of corporate governance underpinned by a Board Governance Charter as well as various policies and charters that guide the governance culture of the Company. 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. 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 are 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 at its quarterly meetings. An effective whistle blowing framework for reporting illegal and unethical behavior is also in place. The Company remained committed to sustainability and acted as a responsible citizen by embarking on several corporate social responsibility activities in 2022.

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 NCCG.

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

AngelaAneke

Angela Aneke
Managing Director

Deloitte.

P.O. Box 965
Marina
Lagos
Nigeria

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

Tel: +234 (1) 904 1700
www.deloitte.com.ng

Independent Auditor's Report

To the Shareholders of Transnational Corporation 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 Plc** and its subsidiaries (the Group and Company) set out on pages 79 to 150 , which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended and 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 Plc** as at 31 December 2022, 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 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 and separate 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.

Deloitte.

<table>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>Assessment of goodwill impairment</td><td></td></tr>
<tr><td>
The Group has a material balance of N30.934 billion as goodwill, which principally relate to the acquisition of Transcorp Power Limited (TPL) and 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.
</td><td>
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 review on the 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.
</td></tr>
</table>

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 and Report of the Statutory Audit Committee, 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
28 **March 2023**

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
1117415

Group Financial **Statements**

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

For the Year Ended 31 December 2022

		Group		Company	
	Note(s)	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	9	134,721,185	111,219,336	10,318,046	5,127,383
Cost of sales	10	(68,300,389)	(56,439,941)	-	-
Gross profit		**66,420,796**	**54,779,395**	**10,318,046**	**5,127,383**
Other gains or losses	11	3,699,629	2,644,042	4,381,906	4,006,028
Impairment (loss)/gain on financial assets	16	(672,977)	(182,795)	(5,160)	-
Administrative expenses	15	(22,747,395)	(18,704,961)	(2,498,979)	(1,692,620)
Operating profit		**46,700,053**	**38,535,681**	**12,195,813**	**7,440,791**
Finance income	12	117,330	283,926	968,491	1,081,922
Finance cost	13	(16,541,050)	(15,327,322)	(4,724,559)	(4,500,560)
Bargain purchase on consolidation of Afam	33.2	-	4,506,269	-	-
Profit before tax		**30,276,333**	**27,998,554**	**8,439,745**	**4,022,153**
Income tax	17	(13,436,609)	(4,167,102)	(1,223,768)	(587,789)
Profit of the Year		**16,839,724**	**23,831,452**	**7,215,977**	**3,434,364**
Other comprehensive (loss)/income: Items that will not be reclassified to profit or loss					
Loss on valuation of investments in equity instruments	25	(215,656)	(287,642)	(215,656)	(287,642)
Other comprehensive (loss)/income for the year		**(215,656)**	**(287,642)**	**(215,656)**	**(287,642)**
Total comprehensive income for the year		**16,624,068**	**23,543,810**	**7,000,321**	**3,146,722**
Profit attributable to:					
Owners of the parent		7,787,836	13,964,329	7,215,977	3,434,364
Non-controlling interest	41	9,051,888	9,867,123	-	-
		16,839,724	**23,831,452**	**7,215,977**	**3,434,364**
Total comprehensive income attributable to:					
Owners of the parent		7,572,180	13,676,687	7,000,321	3,146,722
Non-controlling interest	41	9,051,888	9,867,123	-	-
		16,624,068	**23,543,810**	**7,000,321**	**3,146,722**
Earnings per share					
Per share information					
Basic earnings per share	19	19	34	18	8
Diluted earnings per share	19	19	34	18	8

The accounting policies on pages 92 to 108 and the notes on pages 108 to 153 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Financial Position

For the Year Ended 31 December 2022

	Note(s)	Group 2022 N'000	Group 2021 N'000	Company 2022 N'000	Company 2021 N'000
Assets					
Non-Current Assets					
Property, plant and equipment	20	288,442,355	277,816,617	69,457	51,151
Right-of-use assets	21	231,765	288,524	231,765	288,524
Investment properties	22	3,740,000	2,194,000	3,740,000	2,194,000
Goodwill	23	30,934,143	30,934,143	-	-
Other intangible assets	24	10,384,186	10,265,715	5,075,818	5,075,818
Investments in subsidiaries	6	-	-	44,669,388	42,395,763
Investment in financial asset	25	5,278,575	5,411,024	3,672,305	3,887,961
Other Investments	40	1,800,450	-	400,100	-
Prepayments and other assets	30	21,572	38,403	21,572	38,403
Deferred tax asset	18	-	792,202	-	-
		340,833,046	**327,740,628**	**57,880,405**	**53,931,620**
Current Assets					
Inventories	28	5,419,123	4,463,680	-	-
Trade and other receivables	29	82,641,126	67,981,453	37,230,650	35,246,098
Prepayments and other assets	30	4,431,381	1,582,608	26,366	33,921
Cash and bank balances	31	9,378,246	14,231,648	740,907	493,255
		101,869,876	**88,259,389**	**37,997,923**	**35,773,274**
Total Assets		**442,702,922**	**416,000,017**	**95,878,328**	**89,704,894**
Equity and Liabilities					
Equity					
Share capital	32	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
Other reserves		26,236,330	26,451,986	1,590,413	1,806,069
Retained earnings		54,577,014	47,602,138	19,727,493	13,324,478
Equity attributable to holders of parent		**107,387,211**	**100,627,991**	**47,891,773**	**41,704,414**
Non-controlling interest	41	47,386,526	45,664,290	-	-
Total Equity		**154,773,737**	**146,292,281**	**47,891,773**	**41,704,414**
Liabilities					
Non-Current Liabilities					
Borrowings	26	58,039,133	50,698,711	11,958,773	13,659,279
Deposit for shares	38	12,935,000	12,935,000	-	-
Defined Benefit Liability	39	161,705	-	-	-
Contract Liabilities	35	2,139,555	2,333,370	-	-
Deferred income	34	1,544,322	2,005,878	-	-
Deferred tax liabilities	18	12,962,286	6,724,181	-	-
		87,782,001	**74,697,140**	**11,958,773**	**13,659,279**

Consolidated and Separate Statements of Financial Position - Cont'd

	Note(s)	Group		Company	
		2022 N'000"	2021 N'000"	2022 N'000"	2021 N'000"
Current Liabilities					
Trade and other payables	36	145,998,276	135,077,249	9,958,252	9,913,481
Borrowings	26	46,606,260	55,387,033	25,649,776	23,842,510
Contract Liabilities	35	258,284	152,820	-	-
Deferred income	34	447,756	450,659	-	-
Defined Benefit Liability	39	33,008	-	-	-
Lease liabilities	37	-	297,123	-	297,123
Income tax payable	17.1	6,803,600	3,645,712	419,754	288,087
		200,147,184	**195,010,596**	**36,027,782**	**34,341,201**
Total Liabilities		**287,929,185**	**269,707,736**	**47,986,555**	**48,000,480**
Total Equity and Liabilities		**442,702,922**	**416,000,017**	**95,878,328**	**89,704,894**

The consolidated and separate financial statements were approved by the Board of Directors on February 24, 2023 and were signed on its behalf by:

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

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

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

The accounting policies on pages 92 to 108 and the notes on pages 108 to 153 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 2022.

	Share capital	Share premium	Other reserves	Retained earnings	Total attrib-utable to owners of the parents	Non-controlling interest	Total equity
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Group							
Balance at 1 January, 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	-	-	(287,642)	-	(287,642)	-	(287,642)
Total comprehensive (loss)/income for the year	**20,323,996**	**6,249,871**	**1,694,389**	**42,584,585**	**70,852,841**	**48,116,139**	**118,968,980**
*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)
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**
Balance at 1 January, 2022	**20,323,996**	**6,249,871**	**26,451,986**	**47,602,138**	**100,627,991**	**45,664,290**	**146,292,280**
Profit for the year	-	-	-	7,787,836	7,787,836	9,051,888	16,839,723
Other comprehensive income/(loss) (Note 25)*	-	-	(215,656)		(215,656)	-	(215,656)
Total comprehensive income/(loss) for the year	**-**	**-**	**(215,656)**	**7,787,836**	**7,572,180**	**9,051,888**	**16,624,067**
Dividends (Note 36.1)	-	-	-	(812,960)	(812,960)	(7,329,652)	(8,142,612)
Total distributions to owners of company recognised directly in equity	-	-	-	(812,960)	(812,960)	(7,329,652)	(8,142,612)
Balance at 31 December, 2022	**20,323,996**	**6,249,871**	**26,236,330**	**54,577,014**	**107,387,211**	**47,386,526**	**154,773,737**
Note(s)	32	32				41	

*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.
**Other reserve represents fair value loss on equity investment during the year.
The accounting policies on pages 92 to 108 and the notes on pages 108 to 153 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Changes in Equity

	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, 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 (loss)/income for the year	**20,323,996**	**6,249,871**	**1,806,069**	**13,730,958**	**42,110,894**	**-**	**42,110,894**
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**
Balance at 1 January, 2022	**20,323,996**	**6,249,871**	**1,806,069**	**13,324,478**	**41,704,414**	**-**	**41,704,414**
Profit for the year	-	-	-	7,215,975	7,215,975	-	7,215,975
Other comprehensive income	-	-	(215,656)	-	(215,656)	-	(215,656)
Total comprehensive income for the year	-	-	(215,656)	7,215,975	7,000,319	-	7,000,319
Dividends	-	-	-	(812,960)	(812,960)	-	(812,960)
Total distributions to owners of company recognised directly in equity	-	-	-	(812,960)	(812,960)	-	(812,960)
Balance at 31 December, 2022	**20,323,996**	**6,249,871**	**1,590,413**	**19,727,493**	**47,891,773**	**-**	**47,891,773**
Note(s)	32	32					

The accounting policies on pages 92 to 108 and the notes on pages 108 to 153 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statements of Cash Flows

For the Year Ended 31 December 2022

		Group		Company	
		2022	2021	2022	2021
	Note(s)	N '000	N '000	N '000	N '000
Cash flows from operating activities					
Profit before taxation		30,276,333	27,998,554	8,439,745	4,022,153
Adjustments for:					
Depreciation of property, plant and equipment	20	6,965,840	6,656,500	14,364	7,359
Amortisation of intangible assets	24	41,730	24,973	-	-
Depreciation of right of use asset	21	56,759	57,515	56,759	57,515
Adjustment of PPE	20	-	-	5,625	-
Loss/ (Profit) on disposal of property, plant and equipment	11	462	(25,798)	(2,688)	(339)
Profit on disposal of shares	11	-	(1,600,740)	-	(1,600,740)
Dividend income on equity securities	11	(482,532)	(238,853)	(482,532)	(238,853)
Finance income	12	(117,330)	(283,926)	(968,491)	(1,081,922)
Finance cost on loan and borrowings	13	16,538,173	15,313,345	4,721,682	4,486,583
Interest cost on lease rental	13	2,877	13,977	2,877	13,977
Adjustment for tax on franked income		(48,220)	-	(1,080,058)	(512,738)
Impairment gain on financial assets	16	672,977	182,795	5,160	-
Increase in fair value of investment properties	22	(1,546,000)	(146,100)	(1,546,000)	(146,100)
Adjustment for acquisition of Transafam	41.1	-	(83,644,453)	-	-
Changes in working capital:					
(Increase) in Inventories		(955,443)	(105,802)	-	-
(Increase) /Decrease in Trade and Other Receivables		(15,332,650)	10,471,218	(1,021,222)	(17,402,556)
Decrease/(Increase) in Prepayments		(2,831,942)	(522,820)	24,386	(12,241)
Increase in Trade and Other Payables		7,806,302	52,911,365	44,771	(688,253)
(Decrease) in Contract Liabilities		(88,351)	(129,963)	-	-
Increase in Defined Benefits		194,713	-	-	-
(Decrease)/Increase in Deferred Income		(464,459)	1,151,002	-	-
Cash generated from operations		**40,689,239**	**28,082,789**	**8,214,378**	**(13,096,155)**
Income tax paid	17	(3,200,195)	(889,782)	(12,043)	(5,489)
Net cash generated by operating activities		**37,489,044**	**27,193,007**	**8,202,335**	**(13,101,644)**

Consolidated and Separate Statements of Cash Flows Cont'd

		Group		Company	
		2022	2021	2022	2021
	Note(s)	N '000	N '000	N '000	N '000
Cash flows from investing activities					
Deposit for Investment	27 & 6.1	-	27,453,129	-	16,277,480
Investment in Subsidiaries	6.1	-	-	(2,273,625)	-
Purchase of property, plant and equipment	20	(17,604,276)	(15,508,617)	(39,219)	(37,905)
Proceeds from sale of property, plant and equipment		12,235	25,170	3,612	(289)
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 investments	40	(1,800,450)	-	(400,100)	-
Purchase of other intangible assets	24	(160,201)	(68,748)	-	-
Interest received	12	34,123	260,863	-	716
Dividend income on equity securities	11	482,532	238,853	482,532	238,853
Net cash generated/ (used in) by investing activities		**(19,036,037)**	**14,995,863**	**(2,226,800)**	**20,574,068**
Cash flows from financing activities					
Proceeds from borrowings	26	33,106,606	34,209,847	-	-
Repayment of borrowings	26	(42,669,115)	(49,346,197)	(1,864,056)	(5,101,688)
(Decrease)/ Increase in Lease Liabilities	37	(300,000)	13,977	(300,000)	-
Dividends paid	36.1	(5,027,887)	(3,392,955)	(812,960)	(406,480)
Interest paid	26	(8,847,322)	(16,678,036)	(2,942,672)	(4,329,191)
Net cash generated by/(used in) financing activities		**(23,737,718)**	**(35,193,364)**	**(5,919,688)**	**(9,837,359)**
Net increase/(decrease) in cash and cash equivalents		**(5,284,710)**	**6,995,505**	**55,846**	**(2,364,935)**
Cash and cash equivalent at the beginning of the year	**31**	**10,764,846**	**3,769,341**	**(1,192,322)**	**1,172,613**
Cash and cash equivalent at end of the year	**31**	**5,480,136**	**10,764,846**	**(1,136,476)**	**(1,192,322)**

Some comparative Group and Company balances have been reclassified for a better presentation of the statements of cash flow in the current year.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

Accounting Policies

1. Corporate information

The consolidated and Separate financial statements of Transnational Corporation Plc and its subsidiaries (collectively, the Group) for the year ended 31 December, 2022 were authorised for issue in accordance with a resolution of the Directors on February 24, 2023. Transnational Corporation 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 3,760,000 shares being 9.25% shareholding (2021: 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 43.

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) and Financial Reporting Council Act 2021 as amended.

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, 2022. 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

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.

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.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

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.

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 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 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

Property, plant and equipment are tangible assets which the Group holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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	0 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

Assets are depreciated when available for use.

Derecognition 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.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

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 Intangibe 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
- IIntangible assets - Note 24
- Goodwill - Note 23

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

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

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

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

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

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

2.19 Cash and cash equivalent

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

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

2.20 Provisions

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

2.21 Pension and other post-employment benefits

Defined contribution scheme - pension

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

Each employee contributes 8% of annual earnings (basic pay, transport and housing), while the employer contributes 10% to the scheme. Staff contributions to the plan are funded through payroll deductions while the Group 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.

Other long-term employee benefits

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The Projected Unit Credit (PUC) method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The regular benefit expense for the year to be recognised in Profit/Loss is a result of:

a) the cost of the additional benefits that members accrue during the year based on projected benefit at future payment date (current service cost) (see note 15);

b)plus net interest on the net liability, i.e.:

- interest cost on the accrued defined benefit obligation
- interest income on the fair value of plan assets (if any)

The amount recognised as a net benefit liability in the Consolidated Statement of Financial Position is:

- the deficit in the plan; (see note 37)
- plus the effect of asset ceiling, if applicable.
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).
- actuarial gains and losses arising during the financial year;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

Amendments to Plan, Curtailments and Settlements in the Staff Long Service Award (LSA) plan

During the current financial year, there was no change made to the Long Service Award (LSA) plan. Also, there were no material events, Curtailment or Settlements during the financial year.

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 Company 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:

a. The Group is not primarily responsible for fulfilling the promise to provide the specified benefit arising from earning loyalty points.

b. The Group has no control of loyalty program.

c. The Group does not determine the cash value of the points earned by customers.

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, 2022 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 comparative method, that is, the price, which an interest in a property might reasonably be expected to realize in a comparative property within same area assuming:

a. willing buyer;
b. 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 and Contract Assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. 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 applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. 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 Provisions, Contingent Liabilities and Contingent Assets, 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.

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

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. 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.

Amendments to IAS 37 Onerous Contracts—Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 for the first time in the current year. 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).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four 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 Accounting 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).

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.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

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 Group Directors have determined that the application of these standards have had no material impact on the disclosures, or the amounts recognised in Group's Consolidated financial statements.

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

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. They are listed below:

1. IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance Contracts
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 IAS 1 and IFRS - Disclosure of Accounting Policies
5. Amendments to IAS 8 Definition of Accounting Estimates
6. Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

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.

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 is to be determined by the IASB.

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

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 Non-current

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

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated 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-Makers have been identified as the President for Transnational Corporation Plc and the Managing Directors/CEOs of the respective subsidiary companies. The President 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 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 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 addtion, 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. This subsidiary is currently not operational.

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 Plc and the other non-operational subsidiaries.

The President 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 2022	Hospitality N'000	Oil & Gas N'000	Agro-Allied N'000	Power N'000	Corporate Centre N'000	Inter-Segment Elimination N'000	Total N'000
Revenue	31,441,914	-	-	103,279,272	10,318,046	(10,318,046)	134,721,185
Cost of Sales	(9,052,256)	-	-	(59,248,133)	-	-	(68,300,389)
Gross profit	**22,389,658**	**-**	**-**	**44,031,139**	**10,318,046**	**(10,318,046)**	**66,420,796**
Other operating income/(loss)	969,243	2,980	1,757,057	610,648	4,381,905	(4,022,205)	3,699,629
Impairment (loss)/gain on financial assets	(64,273)	-	-	(682,490)	(5,160)	78,946	(672,977)
Administrative expenses	(14,634,848)	(272,447)	(1,200)	(7,605,068)	(2,498,979)	2,265,148	(22,747,395)
Finance cost	(4,141,497)	-	-	(8,619,457)	(4,724,559)	944,464	(16,541,050)
Finance income	8,721	-	-	1,343,132	968,491	(2,203,014)	117,330
Profit/(loss) before taxation	**4,527,003**	**(269,467)**	**1,755,857**	**29,077,904**	**8,439,743**	**(13,254,707)**	**30,276,333**
Total assets	120,487,382	9,452,471	16,753	303,294,981	95,911,127	(86,459,792)	442,702,922
Total liabilities	(57,697,767)	(11,494,082)	(19,945)	(228,577,902)	(47,987,752)	57,848,265	(287,929,185)
Net assets	**62,789,615**	**(2,041,611)**	**(3,192)**	**74,717,079**	**47,923,375**	**(28,611,527)**	**154,773,737**
As at 31 December 2021							
Revenue	21,742,192	-	-	89,477,144	5,127,383	(5,127,383)	111,219,336
Cost of Sales	(5,512,699)	-	-	(50,927,242)	-	-	(56,439,941)
Gross profit	**16,229,493**	**-**	**-**	**38,549,902**	**5,127,383**	**(5,127,383)**	**54,779,395**
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
Bargain Purchase on Afam consolidation						4,506,270	
Profit/(loss) before taxation	**1,662,611**	**(700,199)**	**6,610**	**24,100,213**	**4,022,153**	**(1,092,833)**	**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)**	**69,753,696**	**41,736,015**	**(23,886,462)**	**146,292,281**

Revenue for the Corporate Centre in 2022 relates to dividend income from Transcorp Power Limited and Transcorp Hotels to the Company.

Other operating income relates to Management and Technical Services fees from Transcorp Power Limited, TransAfam Power Limited and Transcorp Hotels Plc, to the Company, and dividend earned on equity investments.

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

Revenue	2022 N'000	2021 N'000
Total revenue for reportable segments	145,039,231	116,346,719
Elimination of inter-segment revenue (i)	(10,318,046)	(5,127,383)
External revenue	**134,721,185**	**111,219,336**
Profit or loss		
Profit for reportable segments	43,531,041	33,597,657
Elimination of inter-segment profits (ii)	(13,254,708)	(5,599,103)
Consolidated profit before taxation	**30,276,333**	**27,998,554**
Assets	**31 December 2022**	**31 December 2021**
Total assets of reportable segments	529,162,714	492,226,176
Consolidation eliminations (iii)	(86,459,792)	(76,226,159)
Consolidated total assets	**442,702,922**	**416,000,017**
Liabilities		
Total liabilities of reportable segments	345,777,448	322,047,432
Consolidation eliminations (iv)	(57,848,265)	(52,339,697)
Consolidated total liabilities	**287,929,182**	**269,707,735**

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 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 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 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 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.
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.

Analysis of revenue by category:	31 December 2022 N'000	31 December 2021 N'000
Rooms	19,675,930	14,085,653
Food and beverage	10,231,748	6,470,388
Shop rental	1,055,726	823,269
Other operating revenue	478,510	254,729
Capacity charge	61,953,343	32,415,880
Energy sent out	41,302,228	57,031,863
Ancillary services	23,700	137,554
Total	**134,721,185**	**111,219,336**

Analysis of Cost of sales by category:	31 December 2022 N'000	31 December 2021 N'000
Room	3,407,164	1,834,155
Food and beverages	5,104,372	3,495,250
Natural gas and fuel costs	48,547,556	41,939,331
Direct materials and related expenses	481,394	1,184,826
Employee costs	1,046,313	769,610
Depreciation and impairment	4,242,798	4,016,646
Repairs and maintenance	3,827,741	2,243,218
Insurance	298,972	280,873
Other expenses	1,344,081	676,032
Total	**68,300,389**	**56,439,941**

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.

Name of company	Principal activities	% holding 2022	% holding 2021	Carrying amount 2022 N' 000	Carrying amount 2021 N' 000
Transcorp Hotels Plc	Hospitality services	76.2 %	76.2%	25,470,755	25,470,755
Transcorp Power Limited*	Power generation	51.02 %	50.9%	19,100,213	16,826,588
Transcorp Energy Limited	Exploration of petroleum product	99.0 %	99.0%	9,900	9,900
TransAfam Power Limited	Power generation	95.0 %	95.0%	47,500	47,500
Transcorp Properties Limited	Building	100.0 %	100.0%	10,000	10,000
Transcorp OPL 281 Nigeria Limited	Exploration, refining and marketing of petroleum products	100.00%	100.00%	500	500
Terago Commodities Limited	Growing of Agricultural product processing food and cash crops	95.00%	95.00%	9,500	9,500
Transcorp Refining Company Limited	Oil and gas exploration, refining and marketing General maritime	100.0 %	100.0%	1,000	1,000
Transcorp Trading and Logistics Limited	Operation Communication	100.0 %	100.0%	10,000	10,000
Transcorp Telecomms Limited	Operation Communication services	100.0 %	100.0%	10,000	10,000
Aura by Transcorp Hotel Limited	Hospitality services	20.0 %	20.0%	20	20
Transcorp Hotel Plc's investments in subsidiaries include:					
Transcorp Hotels Calabar Limited	Hospitality services	100.0 %	100.0 %	-	-
Transcorp Hotels Port Harcourt Limited	Hospitality services	100.0 %	100.0 %		
Transcorp Hotels Ikoyi Limited	Hospitality services	58.0 %	58.0 %		
Aura by Transcorp Hotel Limited	Hospitality services	60.0 %	60.0 %		
TransAfam Power Limited's investments in subsidiaries include:					
Afam Power Plc	Power generation	100.0 %	100.0 %	-	-
Afam Three Fast Power Limited	Power generation	100.0 %	100.0 %	-	-
				44,669,388	**42,395,763**

6.1 Movement in investment in subsidiaries

	2022 N' 000	2021 N' 000
As at 1 January	42,395,763	61,167,716
Transfer to intercompany		(16,277,500)
Additional investment during the year (6.3)	2,273,625	20
Disposal of investment		(2,494,473)
	44,669,388	**42,395,763**

Transfer to intercompany account

In 2021, 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 in Transcorp 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 borrowings.

6.3 Investments made by subsidiaries during the year

Transcorp Power Limited

Part of the dividend declared for 2021 was coverted into shares (2,273,625,000) which increased the Company's shareholding percentage from 50.89% to 51.02%

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**	
		2022	**2021**
Transcorp Hotels Plc	Nigeria	23.8 %	23.8 %
Transcorp Power Limited	Nigeria	49.0 %	49.1 %
TransAfam Power Limited	Nigeria	5.0 %	5.0 %

	Transcorp Hotels Plc - Group		**Transcorp Power Limited**		**TransAfam Power Limited**	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Assets	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Non-current assets	110,405,033	106,245,806	66,612,682	65,918,561	126,308,434	119,719,593
Current assets	10,082,349	9,643,921	101,574,766	89,495,784	8,799,099	3,229,211
Total assets	**120,487,382**	**115,889,727**	**168,187,448**	**155,414,345**	**135,107,533**	**122,948,804**
Liabilities						
Non-current liabilities	28,392,256	28,039,657	35,023,236	20,590,468	10,525,000	10,525,000
Current liabilities	29,305,511	25,629,844	95,200,238	100,817,742	87,829,428	76,676,244
Total liabilities	**57,697,767**	**53,669,501**	**130,223,474**	**121,408,210**	**98,354,428**	**87,201,244**
Total net assets	62,789,615	62,220,226	37,963,975	34,006,136	36,753,105	35,747,560
Carrying amount of non-controlling interest	**14,969,044**	**14,833,302**	**18,640,312**	**16,697,012**	**1,837,655**	**877,603**

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

	Transcorp Hotels Plc - Group		Transcorp Power Limited		TransAfam Power Limited	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	N' 000	**N' 000**	**N' 000**	**N' 000**	**N' 000**	**N' 000**
Revenue	31,441,914	21,742,192	90,349,386	74,330,710	12,929,886	15,146,434
Cost of sales	(9,052,256)	(5,512,699)	(48,147,009)	(39,711,272)	(11,101,124)	(11,215,970)
Other operating income/(loss)	969,243	909,383	105,902	123,581	504,746	7,607
Impairment (loss)/gain on financial assets	(64,273)	20,224	(812,741)	(346,932)	130,251	(204,960)
Termination/retirement benefits	-	-	-	-	-	-
Administrative expenses	(14,634,848)	(11,428,226)	(5,709,134)	(4,551,196)	(1,895,934)	(2,741,887)
Finance income	8,721	4,299	1,343,132	1,105,327	-	18,603
Finance cost	(4,141,497)	(4,072,562)	(8,510,559)	(7,859,832)	(108,898)	-
Profit before tax	**4,527,003**	**1,662,611**	**28,618,977**	**23,090,386**	**458,927**	**1,009,827**
Tax expense	(1,909,109)	(545,294)	(11,335,571)	(3,546,935)	-	-
Profit after tax	**2,617,894**	**1,117,317**	**17,283,406**	**19,543,451**	**458,927**	**1,009,827**
Total comprehensive income	2,617,894	1,117,317	17,283,406	19,543,451	1,629,849	1,629,849
Profit allocated to non-controlling interest	**594,491**	**(26,609)**	**864,170**	**977,173**	**22,946**	**24,791**

Summarised consolidated and separate statement of cash flows

	Transcorp Hotels Plc - Group		Transcorp Power Limited		TransAfam Power Limited	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Cash flows from operating activities	868,413	5,674,097	5,987,345	39,409,550	175,845	11,304,560
Cash flows from investing activities	(911,596)	(837,260)	(2,173,005)	(8,839,173)	(976,235)	(4,736,544)
Cash flows from financing activities	(959,446)	(3,447,006)	(1,890,764)	(21,098,890)	(834,560)	(3,789,415)
Net increase(decrease) in cash and cash equivalents	**(1,002,629)**	**1,389,831**	**1,923,576**	**9,471,487**	**(1,634,950)**	**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.

Classes and categories of financial instruments and their fair values

Categories of financial assets

Group - 2022				
	Note(s)	**Fair value through other comprehensive income**	**Amortised cost**	**Total Carrying Amount**
		N'000	**N'000**	**N'000**
Investment in finance assets	25	5,278,575	-	5,278,575
Trade and other receivables	29	-	82,641,126	82,641,126
Cash and Bank balance	31	-	9,378,246	9,378,246
		5,278,575	**92,019,372**	**97,297,947**

Group - 2021	Note(s)	Fair value through other comprehensive income	Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Investments in finance asset	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**

Company - 2022
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	3,672,305	-	3,672,305
Trade and other receivables	29	-	37,230,650	37,230,650
Cash and Bank balance	31	-	740,907	740,907
		3,672,305	**37,971,557**	**41,643,862**

Company - 2021

	Note(s)	Fair value through other comprehensive income	Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Investments in finance assets	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**

Categories of financial liabilities

Group - 2022

	Note(s)		Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Trade and other payables	36		132,734,148	132,734,148
Borrowings	26		104,645,393	104,645,393
			237,379,541	237,379,541

Group - 2021

	Note(s)		Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Trade and other payables	36		126,568,208	126,568,208
Borrowings	26		106,085,744	106,085,744
			232,653,952	**232,653,952**

Company - 2022				
	Note(s)		Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Trade and other payables	36		9,716,861	9,716,861
Borrowings	26		37,608,549	37,608,549
			47,325,410	**47,325,410**

Company - 2021				
	Note(s)		Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Trade and other payables	36		9,532,734	9,532,734
Borrowings	26		37,501,789	37,501,789
			47,034,523	**47,034,523**

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
		2022	2021	2022	2021
		N' 000	N' 000	N' 000	N' 000
Borrowings	26	104,645,393	106,085,744	37,608,549	37,501,789
Trade and other payables	36	132,734,148	126,568,208	9,716,861	9,532,734
Total debt		**237,379,541**	**232,653,952**	**47,325,410**	**47,034,523**
Cash and Bank deposits	31	(9,378,246)	(14,231,648)	(740,907)	(493,255)
Net debt		**228,001,295**	**218,422,304**	**46,584,503**	**46,541,268**
Equity		154,773,737	146,292,281	47,891,773	41,704,414
Capital and net debt		382,775,032	364,714,585	94,476,276	88,245,682
Gearing ratio		**60 %**	**60 %**	**49 %**	**53 %**

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 year ended 31 December, 2022 and 2021.

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 instruments.

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

Group				2022			2021
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29.4	89,653,456	(7,012,329)	82,641,127	74,950,903	(6,969,450)	67,981,453
Bank balances	32	9,332,636	-	9,332,636	14,200,093	-	14,200,093

Company				2022			2021
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29	38,895,069	(1,664,419)	37,230,649	38,662,414	(3,416,316)	35,246,098
Bank balances	**32**	**722,357**	**-**	**722,357**	**473,893**	**-**	**473,893**

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.

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

Trade receivables - Group
Days past due

	Current	<30 days	30-60 days	61-90 days	> 91 days	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
31-Dec-22						
Third party receivables						
Expected credit loss rate	1.6%	2.0%	2.2%	7.3%	10.1%	
Estimated total gross carrying amount at default	7,345,680	6,835,465	8,324,560	3,204,560	62,649,310	88,359,575
Expected credit loss	**120,254**	**136,584**	**184,355**	**235,455**	**6,335,681**	**7,012,329**
31-Dec-21						
Third party receivables						
Expected credit loss rate	1.5%	2.3%	2.7%	5.5%	13.6%	
Estimated total gross carrying amount at default	6,721,987	5,915,556	6,573,909	4,973,118	46,041,621	70,226,191
Expected credit loss	**102,346**	**134,247**	**179,691**	**274,520**	**6,278,646**	**6,969,450**

There is no trade receivables for the Company.

Reconciliation of Loss Allowances on Third Party Receivables

	Group		Company	
	2022	**2021**	**2022**	**2021**
As at 1 January	6,969,450	6,786,655	3,416,316	3,416,316
Charge for the year	672,977	182,795	5,160	-
Write-off	(630,098)	-	(1,757,057)	-
As at 31 December	**7,012,329**	**6,969,450**	**1,664,419**	**3,416,316**

Related party receivables (Note 29.2)		**Company**
	2022	**2021**
Expected credit loss rate	3.0%	7.7%
Estimated total gross carrying amount at default	36,896,511	36,961,075
Expected credit loss	**1,097,333**	**2,849,230**

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 finance institutions.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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).

		Group		Company
Foreign Currency Balance	**2022**	**2021**	**2022**	**2021**
USD	5,428,711	116,527	12,830	9,820
GBP	129,787	1,932	-	-
Euro	3,076	-	-	-

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	**2022**	**2022**	**2021**	**2021**
Increase or decrease in rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Effect on profit before tax:				
Change in USD rate 2% (2021: 2%)	50,107,003	(50,107,003)	444,052	(444,052)
Change in GBP rate 2% (2021: 2%)	1,197,937	(1,197,937)	1,368	(1,368)
	51,304,940	**(51,304,940)**	**445,420**	**(445,420)**

Company	2022	2022	2021	2021
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Effect on profit before tax:				
Change in USD rate 2% (2021: 2%)	**118,423**	**(118,423)**	**445,245**	**(445,245)**

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 N5,278,575,000 (31 December, 2021: N5,411,024,000). 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 N119,714,000 (31 December, 2021: N287,642,000) 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, 2022 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, 2022. **Key drivers**	**ECL scenario**	**Assigned probabilities**	**2023**	**2024**	**2025**
Oil price	Upturn	50 %	124.28	124.28	124.28
	Base	50 %	80.88	80.88	80.88
	Downturn	0 %	33.99	33.99	33.99
Unemployment rate	Upturn	10 %	0.44	0.44	0.44
	Base	80 %	0.44	0.44	0.44
	Downturn	10 %	0.44	0.44	0.44
Inflation rate	Upturn	0 %	0.13	0.13	0.13
	Base	83 %	0.17	0.17	0.17
	Downturn	17 %	0.22	0.22	0.22
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	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

**The assigned probabilities is from S&P Global report.*

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

			Group			**Company**
	Short-term deposits	**Other receivables**	**Total**	**Short-term deposits**	**Other receivables**	**Total**
31-Dec-22	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Upside (10%)	-	-	-	-	109,733	109,733
Base (82%)	-	-	-	-	899,813	899,813
Downturn (8%)	-	-	-	-	87,787	87,787
	-	**-**	**-**	**-**	**1,097,333**	**1,097,333**

31-Dec-21	Short-term deposits N'000	Other receivables N'000	Group Total N'000	Short-term deposits N'000	Other receivables N'000	Company Total N'000
Upside (10%)	-	-	-	-	284,923	284,923
Base (80%)	-	-	-	-	2,336,369	2,336,369
Downturn (10%)	-	-	-	-	227,938	227,938
	-	**-**	**-**	**-**	**2,849,230**	**2,849,230**

7.1c Trade and other receivable and ECL allowances

	Group		Company	
	Dec 2022	Dec 2021	Dec 2022	Dec 2021
Trade and other receivables	89,653,456	74,950,903	38,895,069	38,662,414
ECL Allowance	(7,012,329)	(6,969,450)	(1,664,419)	(3,416,316)
At 31 December	**82,641,127**	**67,981,453**	**37,230,649**	**35,246,098**

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, 2022	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
Interest-bearing loans and borrowings	11,121,932	2,690,935	32,360,539	57,564,558	2,899,508	106,637,472
Trade and other payables	12,356,780	23,467,567	96,909,801	-	-	132,734,148
	23,478,712	**26,158,502**	**129,270,340**	**57,564,558**	**2,899,508**	**239,371,620**

Group Year ended 31 December, 2021	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
Interest-bearing loans and borrowings	-	-	57,843,570	50,698,711	-	108,542,281
Trade and other payables	-	-	126,568,208	-	-	126,568,208
	-	**-**	**184,411,778**	**50,698,711**	**-**	**235,110,489**

Company Year ended 31 December, 2022	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
Interest-bearing loans and borrowings	-	-	25,649,776	11,958,773	-	37,608,549
Trade and other payables	-	-	9,716,861	-	-	9,716,861
	-	**-**	**35,366,637**	**11,958,773**	**-**	**47,325,410**

Company Year ended 31 December, 2021	On demand N'000	Less than 3 months N'000	3 to 12 months N'000	1 to 5 years N'000	> 5 years N'000	Total N'000
Interest-bearing loans and borrowings	-	-	23,842,510	13,659,279	-	37,501,789
Trade and other payables	-	-	9,532,734	-	-	9,532,734
	-	**-**	**33,375,244**	**13,659,279**	**-**	**47,034,523**

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, 2022:

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)
	N'000	N'000	N'000	N'000	N'000
Investment properties (Note 22)	31 Dec, 2022	3,740,000	-	3,740,000	-

There were no transfers between Level 1 and Level 2 during 31 December, 2022.

Group Asset measured at fair value:	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	N'000	N'000	N'000	N'000	N'000
Investment Property (Note 22)	31 Dec, 2021	2,194,000	-	2,194,000	-

Fair value measurement

Group 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	N'000
Listed equity investments (Note 25)	31 Dec, 2022	3,672,305	3,672,305	-	-

There were no transfers between Level 1 and Level 2 during 2022 during 31 December, 2022.

Fair value measurement hierarchy for liabilities as at 31 December, 2022.

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	N'000
Listed equity investments (Note 25)	31-Dec-21	3,887,961	3,887,961	-	-

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

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-22	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	19,675,930	-	-	19,675,930
Food and beverages	10,231,748	-	-	10,231,748
Shop rental	1,055,726	-	-	1,055,726
Electric energy and capacity	-	103,255,572	-	103,255,572
Ancillary services	-	23,700	-	23,700
Other operating revenue	478,510	-	-	478,510
Total revenue from contracts with customers	**31,441,914**	**103,279,272**	**-**	**134,721,186**
Other revenue				
Dividend income	-	-	10,318,046	10,318,046
Total revenue	**31,441,914**	**103,279,272**	**10,318,046**	**145,039,232**

The dividend for the corporate centre is made up of N8.9bn from Transcorp Power Limited and N1.5bn from Transcorp Hotel Plc.

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	31,441,914	103,279,271	-	134,721,185
Inter-segment	-	-	10,318,046	10,318,046
	31,441,914	103,279,271	10,318,046	145,039,231
Inter-segment adjustments and eliminations	-	-	(10,318,046)	(10,318,046)
Total revenue	**31,441,914**	**103,279,271**	**-**	**134,721,185**

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**

31-Dec-21	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Other revenue				
Dividend income	-	-	5,127,383	5,127,383
Total revenue	**21,742,192**	**89,477,144**	**5,127,383**	**116,346,719**

The dividend for the corporate centre is made up of N5.1bn from Transcorp Power Limited.

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**

10. Cost of sales

		Group		Company
	2022	2021	2022	2021
	N '000	N '000	N '000	N '000
Room	3,407,164	1,834,155	-	-
Food and beverages	5,104,372	3,495,250	-	-
Natural gas and fuel costs	48,547,556	41,939,331	-	-
Direct materials and related expenses	481,394	1,184,826	-	-
Employee costs	1,046,313	769,610	-	-
Depreciation and impairment	4,242,798	4,016,646	-	-
Repairs and maintenance	3,827,741	2,243,218	-	-
Insurance	298,970	280,873	-	-
Other expenses	1,344,081	676,032	-	-
	68,300,389	**56,439,941**	**-**	**-**

31-Dec-22	Hospitality	Power	Corporate Centre (Company)	Total
Room	3,407,164	-	-	3,407,164
Food and beverages	5,104,372	-	-	5,104,372
Natural gas and fuel costs	-	48,547,556	-	48,547,556
Direct materials and related expenses	-	481,394	-	481,394
Employee costs	-	1,046,313	-	1,046,313
Depreciation and impairment	-	4,242,798	-	4,242,798
Repairs and maintenance	-	3,827,741	-	3,827,741
Insurance	-	298,972	-	298,972
Other expenses	540,720	803,360	-	1,344,081
	9,052,256	**59,248,133**	**-**	**68,300,389**

31-Dec-21	Hospitality	Power	Corporate Centre (Company)	Total
Room	1,834,155	-	-	1,834,155
Food and beverages	3,495,250	-	-	3,495,250
Natural gas and fuel costs	-	41,939,331	-	41,939,331
Direct materials and related expenses	-	1,184,826	-	1,184,826
Employee costs	-	769,610	-	769,610
Depreciation and impairment	-	4,016,646	-	4,016,646
Repairs and maintenance	-	2,243,218	-	2,243,218
Insurance	-	280,873	-	280,873
Other expenses	183,294	492,738	-	676,032
	5,512,699	**50,927,242**	**-**	**56,439,941**

11. Other gains or losses

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Management fees from subsidiaries	-	-	2,265,148	1,973,527
Change in fair value of investment properties	1,546,000	146,100	1,546,000	146,100
Dividend incone on equity securities	482,532	238,853	482,532	238,853
Rental income on investment property	27,000	20,000	27,000	20,000
Key money	152,825	152,825	-	-
Discount received on loan repayment (Note11.1)	-	735,000	-	-
Deferred income(Note 34)	464,459	273,168	-	-
Profit/(Loss) from disposal of assets	(462)	25,798	2,688	339
Profit from disposal of shares (Note 11.2)	-	1,600,740	-	1,600,740
Net foreign exchange (loss)/gain	259,104	(784,866)	1,233	(3,133)
Other income	768,171	236,424	57,305	29,602
	3,699,629	**2,644,042**	**4,381,906**	**4,006,028**

11.1 In 2021, 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.

11.2 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
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Financial instruments measured at amortised cost				
Interest income				
Interest on debt instrument	83,207	23,063	-	-
Interest on loan	25,402	255,092	968,491	1,081,206
Interest on bank deposits	8,721	5,771	-	716
Total finance income	**117,330**	**283,926**	**968,491**	**1,081,922**
Finance income for Cashflow	**34,123**	**260,863**	**-**	**716**

13. Finance cost

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Interest on loans and borrowings	12,407,558	12,310,625	4,721,682	4,486,583
Lease liabilities interest	2,877	13,977	2,877	13,977
Net foreign exchange losses on foreign currency borrowings	4,130,615	3,002,720	-	-
Total finance costs	**16,541,050**	**15,327,322**	**4,724,559**	**4,500,560**
Finance cost for Cashflow	**16,538,173**	**15,313,345**	**4,721,682**	**4,486,583**

14. Employee Cost

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Direct employee costs				
Wages and salaries	1,015,070	698,893	-	-
Pension costs	31,243	70,717	-	-
	1,046,313	**769,610**	**-**	**-**
Indirect employee costs				
Wages and salaries	3,483,406	3,001,937	337,806	293,784
Pension costs	46,875	101,280	15,677	14,325
	3,530,281	**3,103,217**	**353,483**	**308,109**
Total employee costs				
Direct employee costs	1,046,313	769,610	-	-
Indirect employee costs	3,530,281	3,103,217	353,483	308,109
	4,576,594	**3,872,827**	**353,483**	**308,109**

Average number of persons employed during the year

		Group		Company
	2022	2021	2022	2021
	Number	Number	Number	Number
Managerial	46	44	6	6
Senior staff	200	196	8	9
Others	1,145	1,134	5	5
	1,391	**1,374**	**19**	**20**

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

	2022	2021	2022	2021
	Number	Number	Number	Number
N500,000 - N1,000,000	478	478	0	0
N1,000,000 - N2,000,000	112	112	1	1
N2,000,001 - N4,000,000	471	471	2	2
N4,000,001 - N5,000,000	138	138	0	1
N5,000,000 and above	192	175	16	16
	1,391	**1,374**	**19**	**20**

Staff costs for the above persons (excluding Directors):

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Salaries and wages	4,498,476	3,700,830	337,806	293,784
Pension cost	78,118	171,997	15,677	14,325
	4,576,594	**3,872,827**	**353,483**	**308,109**

14.1 Compensation of Managers

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Salaries and short-term employee benefits	899,695	496,856	67,562	58,757
Defined contributions	15,624	28,230	3,135	2,865
	915,319	**525,086**	**70,697**	**61,622**

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

		Group		Company
	2022	2021	2022	2021
	Number	Number	Number	Number
Less than N10,000,000	24	22	-	-
Over N10,000,000	22	22	6	6
	46	**44**	**6**	**6**

15. Administrative expenses

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Employee costs (Note 14)	3,530,281	3,103,217	353,483	308,109
Depreciation (Note 20)	2,723,041	2,639,855	14,364	7,359
Depreciation of Right of use Assets (Note 21)	56,759	57,515	56,759	57,515
Amortisation of Computer Software (Note 24)	41,730	24,973	-	-
Auditors remuneration	169,375	134,291	37,800	29,500
Marketing, sales and advertisement	857,470	666,364	13,492	14,077
Bank charges	637,419	876,167	6,697	31,544
Group services and benefits	736,526	417,666	-	-
Professional fees	1,367,740	1,236,971	336,838	221,299
Donations	5,219	3,786	-	-
Directors renumeration (Note 43)	636,113	737,235	283,038	283,005
Corporate social responsibility	833,171	509,411	164,500	-
Management fees*	2,021,809	1,219,071	376,250	376,250
Insurance	499,481	437,160	22,694	17,394
Telecommunications and IT expenses	311,368	158,994	-	-
Rents and rates	26,351	24,572	-	1,008
Energy cost	2,378,230	1,700,122	43,917	24,795
Repairs and maintenance	2,040,260	1,030,749	16,515	12,562
License and fees	161,659	172,894	22,791	35,195
Security	372,664	319,220	1,775	1,627
Travel, logistics and accommodation	482,588	442,772	91,332	90,410

	2022	Group 2021	2022	Company 2021
	N'000	N'000	N'000	N'000
Bad debt written off	-	861,524	-	-
Medical	441,618	93,671	-	-
Printing and Stationary	70,123	42,242	-	-
Provision for claims**	421,308	-	421,308	-
Other administrative expenses	1,925,092	1,794,523	235,426	180,971
Total administrative expenses	**22,747,395**	**18,704,965**	**2,498,979**	**1,692,620**

*Management fees are majorly 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.

**Provision for claims represents settlement to Ankor Point based on a court award for terms of an M.O.U in respect to OPL 281.

16. Impairment loss/(gain) on financial assets

	2022	Group 2021	2022	Company 2021
	N'000	N'000	N'000	N'000
Trade receivables (Note 29.5)	672,977	182,795	5,160	0
	672,977	**182,795**	**5,160**	**-**

17. Income tax

	2022	Group 2021	2022	Company 2021
Current Tax Expense	N'000	N'000	N'000	N'000
Current income/minimum tax charge	5,376,301	2,552,144	143,288	
Tertiary education tax charged	979,929	715,259	-	75,051
Police tax	1,853	-	422	-
	6,358,083	**3,267,403**	**143,710**	**75,051**
Tax on franked investment income	48,220	-	1,080,058	512,738
Deferred tax:				
Origination and reversing temporary differences (Notes 18.1)	7,030,306	899,699	-	-
Tax expense/(credit) in the statement of profit or loss	**13,436,609**	**4,167,102**	**1,223,768**	**587,789**

Reconciliation of the tax expense

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Accounting profit before income tax	30,276,333	27,998,554	8,439,745	4,022,153
At Nigeria's statutory income tax rate of 30% (2021: 30%)	9,082,900	8,399,566	2,531,924	1,206,646
Tax effect of adjustments on taxable income				
Education tax	979,929	715,259	-	-
Police tax	1,853	-	422	-
Deferred tax	7,030,306	899,699	-	-
Effect of deferred tax not recognised	-	-	1,040,776	426,742
Excess dividend tax	4,727,460	-	143,288	75,051
Tax effect of Loss relief	(7,234,889)	(4,847,525)	-	-
Tax on franked investment income	48,220	-	1,080,058	512,738
Income not subjected to tax	(4,626,509)	(4,167,548)	(3,705,746)	(1,653,803)
Other non-deductible expenses	3,427,339	3,167,651	133,046	20,414
Income tax expense reported in profit or loss	**13,436,609**	**4,167,102**	**1,223,768**	**587,789**
Effective tax rate	44%	15%	15%	15%

17.1 Current tax payable

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
As of 1 January	3,645,712	1,268,091	288,087	218,525
Income tax expense during the year	6,358,083	3,267,403	143,710	75,051
Payment during the year:	(3,200,195)	(889,782)	(12,043)	(5,489)
As of 31 December	**6,803,600**	**3,645,712**	**419,754**	**288,087**

18. Deferred tax

Deferred tax relates to the following:

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Deferred tax liability	21,221,898	16,180,719	-	-
Deferred tax asset	(8,259,612)	(10,248,740)	-	-
Total net deferred tax liability	**12,962,286**	**5,931,979**	**-**	**-**

Reconciliation of deferred tax asset / (liability)				
		Group		Company
		Statement of financial position		Statement of profit or loss
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Accelerated depreciation for tax purposes	21,221,898	16,180,719	5,041,179	(3,947,229)
Unrealised FX losses	(1,344,232)	(977,666)	(366,566)	(406,137)
Expected credit losses of debt financial assets	(2,195,059)	(2,231,655)	36,596	(316,499)
Losses available for offsetting against future taxable income	(4,720,321)	(7,039,419)	2,319,098	5,569,564
	12,962,286	**5,931,979**	**7,030,307**	**899,699**

Reconciliation of deferred tax asset / (liability)				
		Group		Company
		Statement of financial position		Statement of profit or loss
	2021	2020	2021	2020
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)**
Disclosure in SOFP	**N'000**	**N'000**	**N'000**	**N'000**
Deferred tax liability	12,962,286	6,724,181	-	-
Deferred tax asset	-	(792,202)	-	-
Total net deferred tax liability	**12,962,286**	**5,931,979**	-	-

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 N14.3 billion and N11.9 billion as at 31 December, 2022 and 2021 respectively while deferred tax assets of N4.6billion and N3.5 billion were not recognised for the year ended 31 December, 2022 and 2021 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
	2022	2021	2022	2021
Profit attributable to ordinary equity holders of the parent for basic earnings (N'000)	7,787,836	13,964,329	7,215,977	3,434,364
Average number of ordinary shares for basic EPS (thousands)	40,647,990	40,647,990	40,647,990	40,647,990
Basic Earnings/(Loss) per share (Kobo)	19	34	18	8
Basic Earnings/(Loss) per share (Kobo)	19	34	18	8

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, 2021	37,739,649	52,280,017	70,129,487	18,386,061	848,386	9,156,266	188,539,866
Additions	-	155,794	4,704,440	393,307	119,587	10,135,489	15,508,617
Disposals	-	-	-	-	(105,227)	-	(105,227)
Transfer of cost of assets from TransAfam Power Limited	1,784,600	2,748,017	109,199,600	85,766	8,100	-	113,826,083
At 31 December, 2021	**39,524,249**	**55,183,828**	**184,033,527**	**18,865,134**	**870,846**	**19,291,755**	**317,769,339**
Additions	1,788,612	258,492	2,147,627	1,417,579	26,892	11,965,075	17,604,276
Reclassification	1,100,000		3,971,036	16,457	-	(5,094,594)	(7,101)
Disposals	(4,413)	-	-	(29,455)	(8,025)	-	(41,893)
At 31 December, 2022	**42,408,448**	**55,442,320**	**190,152,190**	**20,269,715**	**889,713**	**26,162,236**	**335,324,622**
Accumulated depreciation							
At 1 January, 2021	-	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	-	-	-	(628)	(105,227)	-	(105,855)
At 31 December, 2021	**-**	**6,145,602**	**26,989,303**	**6,200,850**	**616,967**	**-**	**39,952,722**
Depreciation for the year	-	1,217,507	4,461,211	1,226,105	61,017	-	6,965,840
Disposals	-	-	-	(29,070)	(7,225)	-	(36,295)
At 31 December, 2022	**-**	**7,363,109**	**31,450,514**	**7,397,886**	**670,759**	**-**	**46,882,267**
Carrying amount							
At 31 December, 2021	**39,524,249**	**49,038,226**	**157,044,224**	**12,664,284**	**253,879**	**19,291,755**	**277,816,617**
At 31 December, 2022	**42,408,448**	**48,079,211**	**158,701,676**	**12,871,829**	**218,954**	**26,162,236**	**288,442,355**

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, 2021	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**
Additions	1,476	13,945	18,704	-	6,570	39,219
Reclassification			16,457		(23,558)	(5,625)
Disposals	-	-	(3,583)	(8,025)	-	(11,608)
At 31 December, 2022	**37,842**	**22,716**	**112,133**	**7,528**	**6,570**	**186,789**
Depreciation						
At 1 January, 2021	28,862	3,766	63,836	10,457	-	106,921
Depreciation for the year	313	769	4,437	1,840	-	7,359
Disposal			(628)			(628)
At 31 December, 2021	**29,175**	**4,535**	**67,645**	**12,297**	**-**	**113,652**
Depreciation for the year	2,055	1,934	8,551	1,824	-	14,364
Disposal	-	-	(3,459)	(7,225)	-	(10,684)
At 31 December, 2022	**31,230**	**6,469**	**72,737**	**6,896**	**-**	**117,332**
Carrying amount						
At 31 December, 2021	**7,191**	**4,236**	**12,910**	**3,256**	**23,558**	**51,151**
At 31 December, 2022	**6,612**	**16,247**	**39,396**	**632**	**6,570**	**69,457**

Impairment and reversal of impairment
No impairment loss nor reversal was recognised in the current year (2021: Nil).

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Depreciation is allocated as follows:				
Cost of sales	4,242,798	4,016,646	-	-
Administrative expenses	2,723,041	2,639,855	14,507	7,359
	6,965,839	**6,656,501**	**14,507**	**7,359**

As at 31 December, 2022, there is a negative pledge over the Group's property, plant and equipment and floating assets, given in relation to the Group's borrowings. (2021: 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 2021	179,005	179,005
Addition	283,146	283,146
At 31 December 2021	**462,151**	**462,151**
Addition	-	-
At 31 December 2022	**462,151**	**462,151**
Depreciation		
At 1 January 2021	**116,112**	**116,112**
Depreciation	57,515	57,515
At 31 December 2021	**173,627**	**173,627**
Depreciation	56,759	56,759
At 31 December 2022	**230,386**	**230,386**
Carrying amount		
At 31 December 2021	**288,524**	**288,524**
At 31 December 2022	**231,765**	**231,765**

The Company entered into a lease arrangement for its office. The lease is for a five year period.

22. Investment properties

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
At 1 January	2,194,000	2,047,900	2,194,000	2,047,900
Net gain from fair value remeasurement	1,546,000	146,100	1,546,000	146,100
At 31 December	**3,740,000**	**2,194,000**	**3,740,000**	**2,194,000**

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

As at 31 December, 2022, 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 N27 million (2021: N20 million).

Reconciliation of investment property - Group and Company

	Investment property N'000
Cost	
At 1 January, 2021	2,047,900
Fair value remeasurement	146,100
At 31 December, 2021	**2,194,000**
Fair value remeasurement gain	1,546,000
At 31 December, 2022	**3,740,000**

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

Valuation technique	Significant unobservable inputs	Range (weighted average) 2022	2021
Land - market comparison method (refer below)	Estimated rental value per sqm per meter	35,000	25,000
	Rent growth p.a.	29%	20%
	Average land value per square meter	750,000	450,000

	2022 Increase	2022 Decrease	2021 Increase	2021 Decrease
	5%	5%	5%	5%
Rental Value per sqm	36,750	33,250	26,250	23,750
Investment Property Value	**3,927,000**	**3,553,000**	**2,303,700**	**2,084,300**
	2022 Increase	**2022 Decrease**	**2021 Increase**	**2021 Decrease**
	5%	5%	5%	5%
Average Land value per sqm	787,500	712,500	472,500	427,500
Investment Property Value	**3,927,000**	**3,553,000**	**2,303,700**	**2,084,300**

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

	N'000
Cost	
At 1 January, 2021	30,934,143
Additions on acquisition of a subsidiary	-
At 31 December, 2021	**30,934,143**
Additions on acquisition of a subsidiary	-
At 31 December, 2022	**30,934,143**
Accumulated impairment losses	
At 1 January, 2021	-
Impairment losses for the year	-
At 31 December, 2021	-
Impairment losses for the year	-
At 31 December, 2022	**-**
Carrying amount	
At 31 December, 2021	**30,934,143**
At 31 December, 2022	**30,934,143**

		Group		Company
	2022	2021	2022	2021
	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, 2022, 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, N159,358,900,000 as at 31 December 2022, 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 19.5% (2021: 15.5%) and cash flows beyond the five-year period are extrapolated using a 5.5% growth rate (2021: 3.5%) 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 N88.4bn. 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 (GCU) 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 2022, 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 of the subsidiary:

The open market method of valuation was used to arrive at the fair value of the land. This method involved assessing thepropertyphysically, and by adopting the cost of construction used in capitalization to arrive at depreciated value after adjusting for depreciation.Also, a market research was analysed by comparing similar properties that have recently been transacted in the open market withinthelocality and adjusting appropriately in arriving at the value. The land and building was fair valued in the open market using the Depreciated Replacement Cost method of valuation, thismethodseeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) andotherinfrastructural facilities on it, including professional fees and finance costs less allowance for passage of time. Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantlyhigher(lower) fair value of the properties. Generally, a change in the assumption made for the estimated rental value is accompanied byadirectionally similar change in the rent growth per annum and average land value per square meter.

The recoverable amount N76,282,996,000 (2021:N74,787,894,000) exceeded the carrying amount N63,991,588,000 (2021:N63,557,940,425).

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**
	2022	**2021**
The fair value has been determined as follows:	**N'000**	**N'000**
Market value		
Land and buildings	139,337,765	134,306,000
Items of plant and machinery	10,664,077	10,596,626
Items of office/computer equipment	680,207	636,564
Motor vehicles	184,585	151,940
Items of furniture and fittings	1,723,007	1,542,571
Intangible Assets	158,857	158,605
Other Receivables	300,075	-
Current Assets	10,082,350	9,643,920
Total market value	**163,130,923**	**157,036,226**
Fair value of liabilities	(57,697,767)	(53,669,501)
Net Fair Value	**105,433,156**	**103,366,725**
% Holding by TNC in THP – 76.16% (2021:76.16%)	**80,297,891**	**78,724,098**
Less: Costs of disposal at 5%	(4,014,895)	(3,936,205)
Fair value of net assets less cost of disposal	76,282,996	74,787,893
Recoverable amount attributable to TNC	**76,282,996**	**74,787,893**

Analysis of values	Transcorp Hotels Plc	
	2022	2021
Carrying Value:	N'000	N'000
Net asset as at 31 December	62,789,615	62,220,227
Goodwill as at 31 December	21,232,953	21,232,953
	84,022,568	**83,453,180**
% Holding by TNC in THP – 76.16% (2021:76.16%)	**63,991,588**	**63,557,942**

The Board has estimated the costs of disposal to be 2% (2021:5%) 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

	2022	2022	2021	2021
	N'000	N'000	N'000	N'000
	Increase	Decrease	Increase	Decrease
Net Fair Value of Assets	80,297,891	80,297,891	78,724,098	78,724,098
Cost of Disposal	(5,620,852)	(2,408,937)	(5,510,687)	(2,361,723)
Recoverable Amount	**74,677,039**	**77,888,954**	**73,213,411**	**76,362,375**

24. Intangible assets

Intangible assets - Group

	Computer software	Licence Cost	Exploration & evaluation expenditure	Total
	N'000	N'000	N'000	N'000
Cost				
At 1 January, 2021	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**
Additions	32,653	58,912	68,636	160,201
At 31 December, 2022	**427,894**	**5,134,730**	**5,099,928**	**10,662,552**
Amortisation and impairment				
At 1 January, 2021	(211,663)	-	-	(211,663)
Amortisation	(24,973)	-	-	(24,973)
At 31 December, 2021	**(236,636)**	**-**	**-**	**(236,636)**
Amortisation	(32,402)	(9,328)	-	(41,730)
At 31 December, 2022	**(269,038)**	**(9,328)**	**-**	**(278,366)**
Carrying amount				
At 31 December, 2021	**158,605**	**5,075,818**	**5,031,292**	**10,265,715**
At 31 December, 2022	**158,856**	**5,125,402**	**5,099,928**	**10,384,186**

Intangible assets - Company

	Computer software N'000	Oil prospecting license (OPL) N'000	Total N'000
Cost			
At 1 January, 2021	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2021	**12,966**	**5,075,818**	**5,088,784**
Additions	-	-	-
At 31 December, 2022	**12,966**	**5,075,818**	**5,088,784**
Amortisation			
At 1 January, 2021	(12,966)	-	**(12,966)**
Amortisation	-	-	-
At 31 December, 2021	**(12,966)**	**-**	**(12,966)**
Amortisation	-	-	-
At 31 December, 2022	**(12,966)**	**-**	**(12,966)**
Carrying amount			
At 31 December, 2021	**-**	**5,075,818**	**5,075,818**
At 31 December, 2022	**-**	**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.

Transcorp is currently in the process of agreeing the minimum work obligation for the asset, which will lead to an extention of the licence for another two years.

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
	2022	2021	2022	2021
	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	3,887,961	4,175,603	3,887,961	4,175,603
Movement in other comprehensive income for current period	(215,656)	(287,642)	(215,656)	(287,642)
	3,672,305	**3,887,961**	**3,672,305**	**3,887,961**
Financial assets held to maturity- debt instrument				
Opening balance	1,523,063	-	-	-
Adddition	-	1,500,000	-	-
Interest earned on debt instrument	83,207	23,063		
	1,606,270	**1,523,063**	**-**	**-**
Total investment in financial assets	**5,278,575**	**5,411,024**	**3,672,305**	**3,887,961**
Split between non-current and current portions				
Non-current assets	**5,278,575**	**5,411,024**	**3,672,305**	**3,887,961**

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
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
At 1 January	3,887,961	4,175,603		
Additions	-			
Fair value gain/(loss) on investment in equity instruments	(215,656)	(287,642)	(215,656)	(287,642)
Dividend received on equity instrument			482,532	238,853
Interest earned on debt instrument	-		80,757	23,063
Statement of Financial Position	**3,672,305**	**3,887,961**		
Statement of Profit or Loss and Other Compehensive income			**350,083**	**(25,726)**

Investments held at reporting date - Company

	Statement of Financial Position		Statement of Profit or Loss and Other	
	Fair value	Fair value	Fair value	Fair value
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Opening balance	3,887,961	4,175,603		
Fair value gain/(loss) on investment in equity instruments	(215,656)	(287,642)	(215,656)	(287,642)
Dividend received on equity instrument			482,532	238,853
Statement of Financial Position	**3,672,305**	**3,887,961**		
Statement of Profit or Loss and Other Compehensive income			**266,876**	**(48,789)**

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	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Held at amortised cost				
Term loan	85,717,799	78,917,052	35,731,166	35,816,212
Bonds	1,924,980	823,078	-	-
Bank overdraft	3,898,110	3,466,802	1,877,383	1,685,577
$215 million acquisition loan	13,104,504	22,878,812	-	-
	104,645,393	**106,085,744**	**37,608,549**	**37,501,789**

Financial liabilities: Interest-bearing loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
N17 billion consolidated term loan	19,228,800	19,420,606	19,228,800	19,420,606
Other term loans	16,502,366	16,401,208	16,502,366	16,395,606
N2 billion bank loan	1,924,980	-	-	-
N10 billion 7- Year bond	-	823,078	-	-
N12.7 billion loan	11,666,034	11,666,034.00	-	-
N10 billion loan	9,230,171	9,230,171	-	-
N5 billion loan	-	-	-	-
Bank Overdraft	3,898,110	3,466,802	1,877,383	1,685,577
N1 billion loan	-	-	-	-
Term loan	24,087,412	24,087,412	-	-
N200 million loan	201,382	201,382	-	-
$215 million acquisition loan	17,906,138	20,789,051	-	-
Total interest-bearing loans and borrowings	**104,645,393**	**106,085,744**	**37,608,549**	**37,501,789**
Total current interest-bearing loans and borrowings	**46,606,260**	**55,387,033**	**25,649,776**	**23,842,510**
Total non-current interest-bearing loans and borrowings	**58,039,133**	**50,698,711**	**11,958,773**	**13,659,279**

Total interets-bearing loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
As at 1 January	102,618,942	119,119,983	35,816,212	40,760,508
Additions	33,106,606	34,209,847	-	-
Effective interest	12,407,558	12,310,625	4,721,682	4,486,583
Principal repayments	(42,669,115)	(49,346,197)	(1,864,056)	(5,101,688)
Interest repayments	(8,847,322)	(16,678,036)	(2,942,672)	(4,329,191)
Exchange Loss	4,130,615	3,002,720	-	-
	100,747,284	**102,618,942**	**35,731,166**	**35,816,212**
Overdraft (Note 31)	3,898,110	3,466,802	1,877,383	1,685,577
	104,645,394	**106,085,744**	**37,608,549**	**37,501,789**

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 5-year bond

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 10 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	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	**104,645,394**	**106,085,744**	**106,637,472**	**108,542,281**

Company

Financial liabilities

	Carrying amount		Fair value	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Interest-bearing loans and borrowings	**37,608,549**	**37,501,789**	**37,608,549**	**37,501,789**

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	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
As at 1 January	-	27,453,129	-	-
Eliminatiom upon Business acquisition	-	(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 9 March 2021.

28. **Inventories**

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Finished goods	-	-	-	-
Engineering spares	5,042,667	4,185,754	-	-
Guest supplies	169,110	193,440	-	-
Fuel	207,346	84,486	-	-
	5,419,123	**4,463,680**	**-**	**-**

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 N52.3 billion (2021: N43.1 billion).

29. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Receivables from third-party customers and other receivables	82,641,126	67,981,453	1,431,472	1,134,253
Due from related companies	-	-	35,799,178	34,111,845
	82,641,126	**67,981,453**	**37,230,650**	**35,246,098**

29.1 Receivables from third-party customers and other receivables

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Trade receivables	88,359,575	70,226,191	-	-
Other receivables	1,293,880	4,724,712	1,998,558	1,701,339
Allowances for expected credit losses	(7,012,329)	(6,969,450)	(567,086)	(567,086)
	82,641,126	**67,981,453**	**1,431,472**	**1,134,253**

29.2 Due from related companies

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Due from related companies and other receivables (Note 43)	-	-	36,896,511	36,961,075
Allowances for expected credit losses on due from related parties	-	-	(1,097,333)	(2,849,230)
	-	**-**	**35,799,178**	**34,111,845**

29.3 Other receivables

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
WHT Receivable	552,494	255,764	271,956	255,764
Unclaimed Dividend Receivable	351,668	381,205	351,668	381,205
Staff Advance	352,901	352,901	352,901	352,901
Other receivables	36,817	3,734,842	1,022,032	711,469
	1,293,880	**4,724,712**	**1,998,558**	**1,701,339**

29.4 Total net trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Total trade and other receivables	89,653,456	74,950,903	38,895,069	38,662,414
Total allowance on expected credit loss on trade and other receivables	(7,012,329)	(6,969,450)	(1,664,419)	(3,416,316)
	82,641,127	**67,981,453**	**37,230,650**	**35,246,098**

29.5 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	**2022**	**2022**	**2021**	**2021**
	Estimated gross carrying amount	**Loss allowance (Lifetime expected credit loss)**	**Estimated gross carrying amount at default**	**Loss allowance (Lifetime expected credit loss)**
Expected credit loss rate:	**N'000**	**N'000**	**N'000**	**N'000**
Less than 30 days past due: 4.0% (2021: 0.8%)	6,835,465	136,584	5,915,556	134,247
30 - 60 days: 3.1% (2021: 1.4%)	8,324,560	184,355	6,573,909	179,691
61 - 90 days: 6.7% (2021: 2.6%)	3,204,560	235,455	4,973,118	274,520
More than 90 days: 2.6% (2021: 5.8%)	69,994,990	6,455,935	52,763,608	6,380,992
Total	**88,359,575**	**7,012,329**	**70,226,191**	**6,969,450**

Company	2022	2022	2021	2021
	Estimated gross carrying amount	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
Expected credit loss rate:	N'000	N'000	N'000	N'000
Less than 30 days past due: 23% (2021: 28%)	298,715	68,312	245,875	68,312
30 - 60 days: 21% (2021: 26%)	374,566	79,883	312,985	79,883
61 - 90 days: 20% (2021: 23%)	562,345	112,098	497,812	112,098
More than 90 days: 40% (2021: 48%)	762,932	306,793	644,667	306,793
	1,998,558	**567,086**	**1,701,339**	**567,086**

29.6 Reconciliation of loss allowances

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

		Group		Company
	2022	2022	2021	2021
	N'000	N'000	N'000	N'000
Opening balance in accordance with IFRS 9				
As at 1 January	6,969,450	6,786,655	3,416,316	3,416,316
Provision for expected credit losses	672,977	182,795	5,160	-
Write-off	(630,098)	-	(1,757,057)	-
Closing balance	**7,012,329**	**6,969,450**	**1,664,419**	**3,416,316**

30. Prepayments and other assets

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Maintenance contracts	231,123	317,258	-	-
Insurance and permits	284,041	97,251	-	-
Prepaid loan management fees (BOI Loans)	432,768	470,682	-	-
Service charge advance	-	394,626	-	-
Deposits and Advances	3,045,450	–	–	–
Other prepaid expenses	459,571	341,194	47,938	72,324
	4,452,953	**1,621,011**	**47,938**	**72,324**
Current	4,431,381	1,582,608	26,366	33,921
Non-current	**21,572**	**38,403**	**21,572**	**38,403**
	4,452,953	**1,621,011**	**47,938**	**72,324**

31. Cash and cash balances

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Cash on hand	45,610	31,555	18,550	19,362
Cash at bank	6,929,040	10,982,613	200,961	35,068
Short-term deposits	2,403,596	3,217,480	521,396	438,825
	9,378,246	**14,231,648**	**740,907**	**493,255**

There is no restricted cash in line with IAS 7.

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

		Group		Company
	2022	2021	2022	2021
Cash on hand and at bank	6,974,650	11,014,168	219,511	54,430
Short-term deposits	2,403,596	3,217,480	521,396	438,825
	9,378,246	**14,231,648**	**740,907**	**493,255**
Bank overdraft (Note 26)	(3,898,110)	(3,466,802)	(1,877,383)	(1,685,577)
	5,480,135	**10,764,846**	**(1,136,476)**	**(1,192,322)**

32. Issued capital and reserves

32.1 Share capital

	Group		Company	
Ordinary shares authorised	2022	2021	2022	2021
40,647,990,293 ordinary shares of 50 kobo each	**20,323,996**	**22,500,000**	**20,323,996**	**22,500,000**
Ordinary shares issued and fully paid				
40,647,990,293 ordinary shares of 50 kobo each	**20,323,996**	**20,323,996**	**20,323,996**	**20,323,996**

*In line with Section 124 of CAMA which requires companies with unissued shares in their capital structure to fully issue such unissued shares not later than 31 December 2022, the Shareholders elected the option of the cancelation of Transnational Corporation Plc's 4,352,009,707 unissued shares.

32.2 Share premium

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

TransAfam Acquisition and Consolidation Adjustments

33.1 Retained Earnings Adjustment-TransAfam Power Limited

This represents Afam Power Plc retained earnings acquired by TransAfam 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 (SOCE)

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
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
At 1 January	2,456,537	1,305,535	-	-
Received during the year		1,424,170	-	-
Released to the statement of profit or loss	(464,459)	(273,168)	-	-
	1,992,078	**2,456,537**	**-**	**-**
Current	447,756	450,659	-	-
Non-current	1,544,322	2,005,878	-	-
	1,992,078	**2,456,537**	**-**	**-**

The Company 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 N2.46 bilion and N464 million was credited to other operating income in the statement of profit or loss for the year ended 31 December 2022.

35. Contract liabilities

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Summary of contract liabilities				
Short-term advances for hospitality services (Note 35.1)	105,464	40,990	-	-
Key money from Hilton (Note 35.2)	2,292,375	2,445,200	-	-
	2,397,839	**2,486,190**	**-**	**-**
Reconciliation of contract liabilities				
As at 1 January	2,486,190	2,616,153	-	-
Deferred during the year	-		-	-
Recognised as revenue during the year	(88,351)	(129,963)	-	-
	2,397,839	**2,486,190**	**-**	**-**

	Group		Company	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Split between non-current and current portions				
Non-current liabilities	2,139,555	2,333,370	-	-
Current liabilities	258,284	152,820	-	-
	2,397,839	**2,486,190**	-	-

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	
	2022	2021	2022	2021
Reconciliation of short-term advances	N'000	N'000	N'000	N'000
At 1 January	40,990	18,128		
Deferred during the year	105,464	40,990		
Recognised as other operating income during the year	(40,990)	(18,128)		
At 31 December	**105,464**	**40,990**	**-**	**-**
Current	**105,464**	**40,990**	-	-

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 N2.29bn relates to the unamortised portion of the key money as at 31 December 2022.

	Group		Company	
	2022	2021	2022	2021
Reconciliation of Key money from Hilton	N'000	N'000	N'000	N'000
At 1 January	2,445,200	2,598,025	-	-
Received during the period	-	-	-	-
Recognised as revenue during the year	(152,825)	(152,825)	-	-
At 31 December	**2,292,375**	**2,445,200**	**-**	**-**

36. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
Financial instruments:	N'000	N'000	N'000	N'000
Trade payables	111,745,004	113,603,721	-	
Due to related companies and other payables (Note 43)	2,303,998	1,751,336	7,714,200	8,264,883
Accrued liabilities	9,702,330	5,465,343	823,850	209,323
Unclaimed dividend	1,325,828	1,205,545	1,178,811	1,058,528
Dividend payable (Note 36.1)	7,656,988	4,542,263	-	
	132,734,148	**126,568,208**	**9,716,862**	**9,532,734**

Financial instruments:	2022 N'000	Group 2021 N'000	2022 N'000	Company 2021 N'000
Non-financial instruments:				
Advanced deposits	165,501	174,192	-	-
VAT and WHT	3,619,903	61,681	209,975	322,721
Afam payables (Note 36.3)	8,273,168	8,273,168	-	-
Other payables	1,205,556	-	31,414	58,025
	13,264,128	**8,509,041**	**241,391**	**380,747**
Total Trade and other payables	**145,998,276**	**135,077,249**	**9,958,251**	**9,913,480**

36.1 Dividend payable				
As at 1 January	4,542,263	2,582,674	-	-
Appropriation during the year	8,142,612	5,352,544	812,960	406,480
Dividend paid	(5,027,887)	(3,392,955)	(812,960)	(406,480)
	7,656,989	**4,542,263**	**-**	**-**

Dividend of 5 kobo per ordinary share was declared in 2022 (2021: 2 kobo). The dividend declared was approved during the Company's AGM and will be paid in April 2023.

For Transcorp Power Limited, cash dividend of N214.00 was declared in 2022 (2021: N126.02) while Transcorp Hotel Plc declared 13kobo in 2022 (2021: 7kobo).

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

36.3 Afam payables represents deposit for investment in TransAfam yet to be alloted.

37. Lease liabilities

	2022 N'000	Group 2021 N'000	2022 N'000	Company 2021 N'000
At 1 January	297,123	-	297,123	-
Additions	-	283,146	-	283,146
Interest for the year	2,877	13,977	2,877	13,977
Payment	(300,000)	-	(300,000)	-
	-	**297,123**	**-**	**297,123**

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

The lease include extension options that are exercisable by the Company up to one (1) year before the end of the non-cancellable contract period. The extension options can be exercisable by the Company. The Company assesses at the commencement date of lease whether or not it is reasonably certain to exercise these options. If there is a significant event or changes in circumstances within its control, the Company reassesses whether it is reasonably certain to exercise the options.

38. Deposit for shares

	2022 N'000	Group 2021 N'000	2022 N'000	Company 2021 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. Defined Benefit Plan - Other employee benefit

Transcorp Hotels Plc provides a long-service award benefit to employees who are in active employment for a determined lengths of service. The benefit is defined for different lengths of service in 8 bands of 5 years from 5 to 40 years with benefits escalating with the length of service. The plan is funded from the company's operations for each year that there are qualifying staff members.

The benefit typically exposes the Company to actuarial risks such as: foreign exchange risk, interest rate risk, longevity risk and attrition risk. The risk relating to benefits to be paid to the qualifying staff members is borne by the company and factored into the computation of the defined benefit obligation.

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 December 2022 by Mr. Femi Odutola Odulana FRC/2013/NAS00000001320, Fellow of the Conference of Consulting Actuaries (FCA) of GIANT CONSULTANTS LIMITED.

The present value of the defined benefit liability, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Key assumptions used:

Financial Assumptions

Discount Rate

In line with IAS 19, future benefits cash flow should be projected for each employee and discounted to their net present value as at the current balance sheet date, using an interest assumption (called the discount rate under IAS 19).

IAS 19 requires an entity to determine the rate to be used for discounting long-term employees' benefits with reference to market yields on high-quality corporate bonds. However, when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds instead.

There is no deep market in corporate bonds in Nigeria and we have determined the rate used for the current valuation by reference to the yield available on Nigerian Federal Government Bonds.

As at 31st December 2022, yields per annum on long-term Government bond ranges between 13.35% and 14.50%. For the purpose of the current valuation, considering the plan's liability duration, we have adopted a discount rate of 13.0% p.a for the financial year 2022.

Benefit escalation rate

The naira benefit escalation rate used for the actuarial valuation is 7.5% based on the historical escalation rate from the past three service contract amendments.

The dollar benefit escalation rate is based on official exchange rate projections of N100 increase every five years. For instance, 2023 - 2027 has an assumed official $/NGN exchange rate of 500, 2028 - 2032 is 600. The source of this data is the Central Bank of Nigeria's published projections.

Demographic Assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample Age	Number of deaths in a year out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

We have assumed a withdrawal rate for the current valuation at a rate starting from 5% for all ages up to age 30 years and decreasing to 1% at age 50 years then nil thereafter.

Age Band (years)	Withdrawal Rate (%)
Up to 30	5
31 -35	4
36 - 40	3
41 -50	1
51 and over	Nil

Amounts recognised in profit or loss in respect of these defined benefit plans are as follows:

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Current Service cost	194,713			
Interest expense	-			
Components of defined benefit costs recognised in profit or loss	**194,713**	**-**	**-**	**-**

Of the expense (service cost) for the year, N79.8 million (2021: Nil) has been included in profit or loss as cost of sales and N114.9 million (2021: Nil) has been included in administrative expenses. The net interest expense has been included as this is an initial recognition of the liability. The remeasurement of the net defined benefit liability is included in other comprehensive income.

Amounts recognised in other comprehensive income are as follows:

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Actuarial loss on remeasurement of defined benefit liability	-	-	-	-
Remeasurement of the net defined benefit liability	**-**	**-**	**-**	**-**

The amount included in the statement of financial position arising from the Group's obligations in respect of its defined benefit retirement benefit plans is as follows:

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Present value of defined benefit obligations	194,713	-	-	-
Fair value of plan assets	-	-	-	-
Funded status	**194,713**	**-**	**-**	**-**
Restrictions on asset recognised	-	-	-	-
Net liability arising from defined benefit obligation	**194,713**	**-**	**-**	**-**
Split between non-current and current portions				
Current liabilities	33,008	-	-	-
Non-current liabilities	161,705	-	-	-
	194,713	**-**	-	-

The current liabilities is the portion of the liabilities that is due in the next 12 months.

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Opening defined benefit obligation	-	-	-	-
Service cost	194,713	-	-	-
Interest cost	-	-	-	-
Remeasurement gain/loss	-	-	-	-
Benefits paid	-	-	-	-
Closing defined benefit obligation	**194,713**	**-**	**-**	**-**

Significant actuarial assumptions for the determination of the defined benefit liability are discount rate, expected escalation rate of the defined benefit, length of stay and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions ocurrring at the end of the reporting period, while holding all other assumptions constant.

All amounts are in thousands of naira

	Decrease	Base	Increase
Effect of 1% increase or decrease in Discount rate	206,796,882	194,713,423	183,796,009
Effect of 10% increase or decrease in Exchange rate	182,619,084	194,713,423	206,807,762
Effect of 10% increase or decrease in Withdrawal rate	196,493,922	194,713,423	192,969,745
Effect of 10% increase or decrease in Mortality rate	194,983,979	194,713,423	194,443,408

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

40. Other Investments

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Other Investments	**1,800,450**	**-**	**400,100**	

During the year, companies within the Transcorp Group invested in a special purpose vehicle (SPV) to enable them have a stake in an electricity distribution company. Companies within the Group have deposited N1.66bn for shares in the company but the shares have not been alloted as at December 31, 2022. The process of shares registration has commenced with CAC but had not been completed at year end.

41. Non-Controlling Interest

		Group
	2022	2021
Balance brought forward	45,664,289	38,249,016
From Profit and loss account	9,051,888	9,867,123
Dividend (Note 36.1)	(8,896,735)	(4,946,064)
Right Issue in TPL	1,567,083	-
**Adjustment for disposal of shares (Note 6.2)	–	2,494,214
	47,386,5265	**45,664,289**

	2022	Group 2021
41.1 Cash flow adjustment on Afam Purchase		
Adjustment for PPE acquired from Trans Afam		(113,826,083)
Other reserve from TransAfam Power Limited (Note 33.3)		24,757,597
Retained earnings from TransAfam Power Limited (Note 33.1)		5,424,033
		(83,644,453)

42. 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 2022, the Group had no commitments (2021: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 low and no provision required.

43. 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
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Amount owed to related parties				
Transcorp Power Limited	-	-	7,714,200	8,264,883
Heirs Oil and Gas and related companies	2,303,998	1,751,336	-	-
	2,303,998	**1,751,336**	**7,714,200**	**8,264,883**
Amount owed by related parties				
Afam Power Plc	-	-	2,610,742	1,863,537
Teragro Commodities Limited	-	-	-	1,751,457
Transcorp OPL 281 Limited	-	-	10,976,222	9,673,657
Transcorp Hotels Plc	-	-	4,686,061	5,058,564
Transcorp Hotels Calabar Limited	-	-	44,999	35,373
TransAfam Power Ltd	-	-	18,385,000	18,385,000
Transcorp Energy Limited	-	-	193,487	193,487
	-	**-**	**36,896,511**	**36,961,075**

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 2022, the Company recognised N2.8bn (2021:N2.8bn) as provision for expected credit losses relating to amounts owed by related parties.

Group

During the year, Heirs Oil and Gas (HHOG) supplied gas to Afam Power Plc amounting to N1.08 billion (2021: N826 million), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by HHOG related companies to Transnational Group amounting to N2.2 billion (2021: N2.8 billion) during the year; these are included in administrative expenses.

Company

Related party borrowings

Included in the amount due from OPL 281 Limited is N7.4b loan at 13%.

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

The loan with TAPL is N250m loan at 13%.

Other terms

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

43.1 Related party balances

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Compensation to directors				
Salaries and other short-term employee benefits	619,683	685,765	273,919	261,610
Defined contributions	5,680	17,670	2,134	6,195
Fees and allowances	10,750	33,800	6,985	15,200
	636,113	**737,235**	**283,038**	**283,005**
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	
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Less than N10,000,000	23	17	-	-
Over N10,000,000	12	11	9	9
	35	**28**	**9**	**9**

44. Profit for the year from continuing operations after charging:

		Group		Company
	2022	2021	2022	2021
	N'000	N'000	N'000	N'000
Profit before tax	30,276,333	27,998,554	8,439,745	4,022,153
Depreciation and Amortization expenses	7,007,569	6,681,474	14,364	7,359
Depreciation of Right-of-use assets	56,759	57,515	56,759	57,515
Employee benefit expenses	4,576,594	3,872,827	353,483	308,109
Auditor's remuneration	169,375	134,291	37,800	29,500
Finance expense	16,541,050	15,327,322	4,724,559	4,500,560
Finance income	(117,330)	(283,926)	(968,491)	(1,081,922)
Investment income	(482,532)	(238,853)	(482,532)	(238,853)
Impairment Loss	672,977	182,795	5,160	-
Gain/(loss) on disposal of property, plant and equipment	(462)	25,798	2,688	339

45. 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.

46. Subsequent Events

Subsequent to the end of the financial year, The Board of Directors of Transcorp Hotels Plc approved the disposal of Transcorp Hotel Calabar, a subsidiary of Transcorp Hotel Plc. This special business item will be presented at the Transcorp Hotel Plc's annual general meeting scheduled to hold on the 3rd of April 2023 for shareholder approval.

CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED

For the Year Ended 31 December 2022.

	Group				Company			
	2022	**%**	**2021**	**%**	**2022**	**%**	**2021**	**%**
	N'000		**N'000**		**N'000**		**N'000**	
Revenue	134,721,185		111,219,336		10,318,046		5,127,383	
Other operating income	3,699,629		2,644,042		4,381,906		4,006,028	
	138,420,814		**113,863,378**		**14,699,952**		**9,133,411**	
Bought in materials and services								
Foriegn	(55,973,756)		(41,947,980)		(777,730)		(166,400)	
Local	(23,988,753)		(17,977,706)		(333,312)		(71,314)	
Total Value added	**58,458,305**	**100**	**53,937,692**	**100**	**13,588,910**	**100**	**8,895,697**	**100**
Applied as follows:								
To pay Employees								
Salaries and other benefits	4,576,594	8	3,872,827	7	353,483	3	308,109	3
To pay Providers of Capital								
Finance costs	16,541,050	28	15,327,322	28	4,724,559	36	4,500,560	51
To pay to Government								
Income tax	6,406,303	11	3,267,403	6	1,223,768	8	587,789	7
To be retained in the business								
Depreciation of property, plant and equipment	6,965,839	12	6,656,501	12	14,364	-	7,359	-
Depreciation of right-of-use assets	56,759	-	57,515	-	56,759	-	57,515	1
Amortisation of intangible assets	41,730	-	24,973	-	-	-	-	-
Deferred tax	7,030,306	12	899,699	2	-	-	-	-
	14,094,634	**24**	**7,638,688**	**14**	**71,123**	**1**	**64,874**	**1**
Value retained								
Retained profit	7,787,836	13	13,964,329		7,215,977		3,434,364	
Non Controlling interest	9,051,888	16	9,867,123				-	
	16,839,724	29	23,831,452	44	7,215,977	52	3,434,364	39
	58,458,305	**100**	**53,937,692**	**100**	**13,588,910**	**100**	**8,895,697**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and its employees› efforts. This statement shows the allocation of that wealth between employees, shareholders, goverment and that retained for the future creation of more wealth.

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY

For the Year Ended 31 December 2022

GROUP					
	2022	**2021**	**2020**	**2019**	**2018**
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets	340,833,046	327,740,628	231,386,794	205,465,248	204,543,332
Current assets	101,869,876	88,259,389	87,824,258	88,683,047	92,596,463
Total assets	**442,702,922**	**416,000,017**	**319,211,052**	**294,148,295**	**297,139,795**
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	26,236,330	26,451,986	1,982,031	1,257,398	1,522,942
Retained earnings	54,577,014	47,602,138	28,620,256	29,536,057	38,869,734
Equity attributable to equity holders of the parent	107,387,211	100,627,991	57,176,154	57,367,322	66,966,543
Non-controlling interests	47,386,526	45,664,290	38,249,016	32,386,857	37,573,202
Total equity	**154,773,737**	**146,292,281**	**95,425,170**	**89,754,179**	**104,539,745**
Liabilities					
Non-current liabilities	87,782,001	74,697,140	125,984,032	106,225,396	66,761,186
Current liabilities	200,147,184	195,010,596	97,801,850	98,168,720	125,838,864
Total liabilities	**287,929,185**	**269,707,736**	**223,785,882**	**204,394,116**	**192,600,050**
Total equity and liabilities	**442,702,922**	**416,000,017**	**319,211,052**	**294,148,295**	**297,139,795**

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

Revenue	134,721,185	111,219,336	75,270,921	76,345,549	104,162,785
Profit before taxation	30,276,333	27,998,554	1,608,591	7,897,624	22,402,087
Taxation	(13,436,609)	(4,167,102)	2,183,517	(4,192,560)	(1,775,420)
Profit after taxation	**16,839,724**	**23,831,452**	**3,792,108**	**3,705,064**	**20,626,667**
Earnings per share (kobo)	19	34	-	4	23
Net Assets per share (kobo)	264	248	141	141	165
Dividend per share (kobo)	**5**	**2**	**1**	**1**	**1**

Earnings per share is based on profit for the year attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY

For the Year Ended 31 December 2022.

COMPANY					
	2022	**2021**	**2020**	**2019**	**2018**
Assets	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets	57,880,405	53,931,620	72,586,782	44,794,683	38,330,899
Current assets	37,997,923	35,773,274	17,958,157	15,436,092	27,294,875
Total assets	**95,878,328**	**89,704,894**	**90,544,939**	**60,230,775**	**65,625,774**
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	1,590,413	1,806,069	2,093,711	1,369,078	1,634,622
Retained earnings	19,727,493	13,324,479	10,296,595	8,314,716	8,799,221
Total equity	**47,891,773**	**41,704,414**	**38,964,173**	**36,257,661**	**37,007,710**
Liabilities					
Non-current liabilities	11,958,773	13,659,279	34,072,429	18,542,201	13,242,511
Current liabilities	36,027,782	34,341,201	17,508,337	5,430,913	15,375,553
Total liabilities	**47,986,555**	**48,000,480**	**51,580,766**	**23,973,114**	**28,618,064**
Total equity and liabilities	**95,878,328**	**89,704,894**	**90,544,939**	**60,230,775**	**65,625,774**
STATEMENT OF PROFIT OR LOSS					
Revenue	10,318,046	5,127,383	2,725,533	3,173,773	8,899,967
Profit before taxation	8,439,745	4,022,153	2,666,403	1,241,401	5,705,517
Taxation	(1,223,768)	(587,789)	(278,043)	(506,467)	(1,094,518)
Profit after taxation	**7,215,977**	**3,434,364**	**2,388,360**	**734,934**	**4,610,999**
Earnings per share (kobo)	18	8	6	2	11
Net Assets per share (kobo)	118	103	96	89	91
Dividend per share (kobo)	5	2	1	1	1

Earnings per share is based on profit for the year attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year

.

NOTICE OF ANNUAL GENERAL MEETING OF TRANSNATIONAL CORPORATION PLC

NOTICE IS HEREBY GIVEN that the 17th Annual General Meeting ("AGM") of Transnational Corporation Plc ("the Company") is scheduled to hold on Wednesday, April 26, 2023, virtually via https://transcorpgroup.com/2022agm 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, 2022, together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To re-elect the following Directors retiring by rotation:

3.1 Mr. Emmanuel Nnorom.

3.2 Mrs. Toyin Sanni; and

3.3 Mr. Victor Famuyibo.

4. To authorise the Directors to fix the remuneration of the Auditors for the 2023 financial year.
5. To disclose the remuneration of Managers of the Company.
6. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

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

   That the remuneration of the Non – Executive Directors be and is hereby fixed at the sum of N31,964,800.00 (Thirty One Million, Nine Hundred and Sixty Four Thousand, Eight Hundred Naira) per Director; and for the Chairman be N51,227,500 (Fifty One Million, Two Hundred and Twenty Seven Thousand, Five Hundred Naira only) per annum. Such payment to be effective from January 1, 2023.

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, reorganization, 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.

Dated this 30th day of March 2023

BY ORDER OF THE BOARD

Mrs. Funmi Olofintuyi

Group Company Secretary (Ag.)

FRC/2022/004/PRO/NBA/002/316763

NOTES

1. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited 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.transcorpgroup.com.

2. MEETING LINK

Further to the changes in the Business Facilitation (Miscellaneous Provisions) Act, which allows public companies to hold meetings electronically, this 17th AGM would be held virtually via https://transcorpgroup.com/2022agm.

3. LIVE STREAMING OF AGM

The AGM will be streamed live. The link for the AGM live streaming will be made available on the Company's website at

www.transcorpgroup.com.

4. DIVIDEND

If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by Thursday, April 27, 2023, to the shareholders whose names appear in the Company's Register of Members at the close of business on Tuesday, April 11, 2023.

5. CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Wednesday, April 12, 2023, to Tuesday, April 18, 2023 (both dates inclusive) for the purpose of dividend payment and updating the register.

6. 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@transcorpgroup.com for the attention of the Company Secretary. CAMA further provides that members of the Audit Committee should be financially literate.

7. E-DIVIDEND REGISTRATION

Notice is hereby given to all shareholders to provide bank account details, 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.

8. UNCLAIMED DIVIDEND PAYMENTS AND UNDEMATERIALISED SHARES

Shareholders are hereby informed that a number of shares and unclaimed dividends 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.

9. PROFILES OF DIRECTORS FOR RE-ELECTION

The profiles of Mr. Emmanuel Nnorom, Mrs. Toyin Sanni and Mr. Victor Famuyibo who will be retiring by rotation and will be presented for re-election are amongst the profiles of Directors that are provided in the 2022 Annual Report and on the Company's website at www.transcorpgroup.com.

10. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE

In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2022 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 2022 Annual Report is available on the Company's website at www.transcorpgroup.com.

11. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company on or before Thursday, April 20, 2023.

Transcorp

PROXY FORM

SEVENTEENTH ANNUAL GENERAL MEETING OF TRANSNATIONAL CORPORATION PLC TO BE HELD ON WEDNESDAY, APRIL 26, 2023, VIRTUALLY VIA https://transcorpgroup.com/2022agm

I/We

____

______being a member/members of TRANSNATIONAL CORPORATION 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 Seventeenth Annual General Meeting of the Company to be held virtually on Wednesday, April 26, 2023, via https://transcorpgroup.com/2022agm at 10.00 a.m.

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.

The nominated Proxy login details will be shared with the shareholder.

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1,	To declare a dividend.			
2.1	To re-elect Mr. Emmanuel Nnorom, a Director retiring by rotation.			
2.2	To re-elect Mrs. Toyin Sanni, a Director retiring by rotation.			
2.3	To re-elect Mr. Victor Famuyibo, a Director retiring by rotation.			
3.	To authorise the Directors to fix the remuneration of the Auditors for the 2023 financial year.			
4.	To elect members of the Statutory Audit Committee.			
5.	To consider and if thought fit, pass the following as ordinary resolutions: "That the remuneration of the Non – Executive Directors be and is hereby fixed at the sum of N31,964,800.00 (Thirty One Million, Nine Hundred and Sixty Four Thousand, Eight Hundred Naira) per Director; and for the Chairman be N51,227,500 (Fifty One Million, Two Hundred and Twenty Seven Thousand, Five Hundred Naira only) per annum. Such payment to be effective from January 1, 2023."			
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, reorganization, 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."			
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 PLC

Seventeenth Annual General Meeting

ADMISSION LINK

Please use the admission link provided to the shareholder to attend the Seventeenth Annual General Meeting of the Company to be held on Wednesday, April 26, 2023, virtually via https://transcorpgroup.com/2022agm at 10.00 a.m

____

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)*

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 CEMENT PLC
10. BUA FOODS PLC
11. BENUE STATE GOVERNMENT BOND
12. CAP PLC
13. CAPPA AND D'ALBERTO PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CORDROS MONEY MARKET FUND
17. EBONYI STATE GOVERNMENT BOND
18. GOLDEN CAPITAL PLC
19. INFINITY TRUST MORTGAGE BANK PLC
20. INVESTMENT & ALLIED ASSURANCE PLC
21. JAIZ BANK PLC
22. KADUNA STATE GOVERNMENT BOND
23. LAGOS BUILDING INVESTMENT CO. PLC
24. GLOBAL SPECTRUM ENERGY SERVICES PLC
25. MED-VIEW AIRLINE PLC
26. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
27. NEXANS KABLEMETAL NIG. PLC
28. LIVINGTRUST MORTGAGE BANK
29. PERSONAL TRUST & SAVINGS LTD
30. P.S MANDRIDES PLC
31. PORTLAND PAINTS & PRODUCTS NIG. PLC
32. PREMIER BREWERIES PLC
33. RESORT SAVINGS & LOANS PLC
34. ROADS NIGERIA PLC
35. SCOA NIGERIA PLC
36. TRANSCORP HOTELS PLC
37. TRANSCORP PLC
38. TOWER BOND
39. THE LA CASERA CORPORATE BOND
40. UACN PLC
41. UNITED BANK FOR AFRICA PLC
42. UNITED CAPITAL PLC
43. UNITED CAPITAL BALANCED FUND
44. UNITED CAPITAL BOND FUND
45. UNITED CAPITAL EQUITY FUND
46. UNITED CAPITAL MONEY MARKET FUND
47. UNITED CAPITAL NIGERIAN EUROBOND FUND
48. UNITED CAPITAL WEALTH FOR WOMEN FUND
49. UNIC DIVERSIFIED HOLDINGS PLC
50. UNIC INSURANCE PLC
51. UAC PROPERTY DEVELOPMENT COMPANY PLC
52. UTC NIGERIA PLC
53. VFD GROUP PLC
54. 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

FULL DEMATERIALIZATION FORM FOR MIGRATION

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

Affix recent passport photograph

USE GUM ONLY NO STAPLE PINS

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

SECTION A:

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

ADDRESS: ______

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

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

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

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ______ **BANK:** ______

BANK A/C NUMBER: ______ *Must be NUBAN* **BVN:** ______ *Must be confirmed by bank* **AGE OF A/C:** DD MM YYYY *Must be confirmed by bank*

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

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

Shareholder's Signature & Date

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

Thumb Print

CERTIFICATE DETAILS

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

Company Seal

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

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

CERTIFICATE DETAILS

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

Dated this ____ day of ____, 20__

Name: ______

Signature: ______

Joint (2) (if applicable): ______

Joint (3) (if applicable): ______

Company Seal

In the Presence of:

Name: ______ **GSM NO:** ______

Address: ______ **Signature:** ______

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

On behalf of ______ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

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

Company Seal

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.

SCAN

Africa Prudential
RC 649007

SHARE PORTAL APPLICATION FORM

Dear Registrar,

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

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. *E-MAIL:
5. ALTERNATE E-MAIL:
6. *MOBILE NO.: **1.** **2.**
7. SEX: MALE FEMALE
8. *DATE OF BIRTH D D M M Y Y Y Y
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: C
11. NAME OF STOCKBROKER:

DECLARATION

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

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

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

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EUROBOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

SCAN
To Download Shareholders' Forms

Improving Lives,
Transforming Africa.

www.transcorpgroup.com