



**TRANSCORP HOTELS PLC
UNAUDITED CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

**TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CORPORATE INFORMATION

Country of incorporation and domicile	Nigeria	
Directors:	Mr. Emmanuel Nnorom Mrs. Dupe Olusola Mrs. Owen Omogiafo Mr. Peter Elumelu Ms. Bolanle Onagorowa Mr. Garba Abubakar Ms. Adesimbo Ukiri Mr. Alex Okoh Mrs. Helen Iwuchukwu Mr. Udechukwu Obi Osakwe	Chairman Managing Director/Chief Executive Officer Non-Executive Director Non-Executive Director Independent Non-Executive Director Independent Non-Executive Director (Appointed 27 October 2023) Non-Executive Director (Appointed 30 October 2023) Non-Executive Director (Tenure expiration-July 2023) Non-Executive Director (Resigned July 2023) Non-Executive Director (Tenure expiration-November 2023)
Group Company Secretary:	Mr. Stanley Chikwendu	
Registered office:	1 Aguiyi Ironsi Street, Maitama Federal Capital Territory Abuja, Nigeria.	
Holding Company:	Transnational Corporation Plc.	
Registration number:	RC 248514	
Registrars:	Africa Prudential Plc 220B Ikorodu Road Palmgrove, Lagos.	
Principal banker:	United Bank for Africa Plc UBA House 57 Marina, Lagos Nigeria.	
Auditors:	Deloitte & Touche Chartered Accountants Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue Victoria Island, Lagos Nigeria.	
Investors Relations Manager:	Mrs. Oluwatobiloba Ojediran oluwatobiloba.ojediran@transcorphotelsplc.com	
Investors Relations Portal:	https://www.transcorphotels.com/investor-relations/	

TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		Jan- Dec 2023	Jan-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
		N '000	N '000	N '000	N '000
Revenue	5.	42,700,615	31,441,914	41,438,286	30,432,720
Cost of sales	6.	(12,089,123)	(9,052,257)	(11,670,493)	(8,701,653)
Gross profit		30,611,492	22,389,657	29,767,793	21,731,067
Other operating income	7.	736,335	969,243	806,668	994,739
Impairment (losses) on financial assets	9.	(37,718)	(64,273)	(44,524)	(75,378)
Operating expenses	10.	(18,102,675)	(14,634,847)	(16,959,350)	(13,691,138)
Operating profit		13,207,434	8,659,780	13,570,587	8,959,290
Finance costs	8.1	(3,879,544)	(4,141,497)	(3,879,544)	(4,141,497)
Finance income	8.2	84,407	8,721	111,530	33,240
Profit before tax		9,412,297	4,527,004	9,802,573	4,851,033
Income tax	11.	(3,314,106)	(1,909,109)	(3,314,106)	(1,771,501)
Profit for the year		6,098,191	2,617,895	6,488,467	3,079,532
Total comprehensive income for the year		6,098,191	2,617,895	6,488,467	3,079,532
Profit for the year attributable to:					
Owners of the Company		6,159,635	2,677,731	6,488,467	3,079,532
Non-controlling interests		(61,444)	(59,836)	-	-
		6,098,191	2,617,895	6,488,467	3,079,532
Earnings per share					
Basic earnings per share (kobo)	12.	60	26	63	30
Diluted earnings per share (kobo)	12.	60	26	63	30

The accounting policies on pages 8 to 9 and the notes on pages 10 to 25 form an integral part of the consolidated and separate financial statements.

TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 3-MONTHS PERIOD ENDED 31 DECEMBER 2023


	Group		Company	
	Oct- Dec 2023	Oct- Dec 2023	Oct- Dec 2023	Oct- Dec 2023
	N '000	N '000	N '000	N '000
Revenue	13,304,583	8,787,400	12,939,444	8,483,324
Cost of sales	(3,831,498)	(2,779,216)	(3,707,774)	(2,685,455)
Gross profit	9,473,085	6,008,184	9,231,670	5,797,869
Other operating (expense)/income	(435,093)	494,735	(389,237)	534,061
Impairment (losses)/gains on financial assets	-	(63,608)	-	(75,378)
Operating expenses	(4,297,593)	(4,129,730)	(3,964,895)	(3,852,957)
Operating profit	4,740,400	2,309,581	4,877,538	2,403,595
Finance costs	(927,752)	(1,072,921)	(927,752)	(1,072,921)
Finance income	45,010	1,730	51,994	7,959
Profit before tax	3,857,658	1,238,390	4,001,780	1,338,633
Income tax	(1,838,222)	(892,920)	(1,838,222)	(755,312)
Profit for the year	2,019,436	345,470	2,163,558	583,321
Total comprehensive income for the year	2,019,436	345,470	2,163,558	583,321
Profit for the year attributable to:				
Owners of the Company	2,035,651	365,079	2,163,558	583,321
Non-controlling interests	(16,215)	(19,609)	-	-
	2,019,436	345,470	2,163,558	583,321
Earnings per share				
Basic earnings per share (kobo)	20	4	21	6
Diluted earnings per share (kobo)	20	4	21	6


The accounting policies on pages 8 to 9 and the notes on pages 10 to 25 form an integral part of the consolidated and separate financial statements.


TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		N'000	N'000	N'000	N'000
Assets					
Non-current assets					
Property, plant and equipment	13.	107,837,219	107,971,345	94,542,538	93,369,335
Investment property	14.	-	-	1,740,549	1,717,765
Goodwill	16.	-	1,974,756	-	-
Intangible assets	15.	139,601	158,856	103,788	119,265
Investment in subsidiaries	4.	-	-	2,521,220	3,529,841
Other investment	22.	300,075	300,075	300,075	300,075
Long term receivables	31.	-	-	8,851,793	8,418,588
		108,276,895	110,405,032	108,059,963	107,454,869
Current assets					
Inventories	19.	645,564	616,624	645,564	529,871
Trade and other receivables	20.	4,265,585	3,220,475	5,231,226	3,793,545
Prepayments	21.	1,020,125	1,062,154	1,020,125	1,036,980
Cash and bank balances	23.	8,978,579	5,183,097	8,933,233	5,101,419
		14,909,853	10,082,350	15,830,148	10,461,815
Assets held for sale	17.	2,500,000	-	-	-
Total assets		125,686,748	120,487,382	123,890,111	117,916,684
Equity and Liabilities					
Equity					
Share capital	24.	5,121,264	5,121,264	5,121,264	5,121,264
Share premium	24.	12,548,859	12,548,859	12,548,859	12,548,859
Retained earnings		51,366,645	45,207,010	51,866,979	45,378,512
Equity attributable to Owners of the Company		69,036,768	62,877,133	69,537,102	63,048,635
Non-controlling interests		(148,964)	(87,520)	-	-
Total equity		68,887,804	62,789,613	69,537,102	63,048,635
Liabilities					
Non-current liabilities					
Borrowings	18.	12,963,191	16,113,199	12,963,191	16,113,199
Deferred income	26.	1,100,082	1,544,322	1,100,082	1,544,322
Contract liabilities	27.	1,986,730	2,139,555	1,986,730	2,139,555
Deposit for shares	30.	2,410,000	2,410,000	-	-
Defined benefit liability	32.	194,713	161,705	194,713	161,705
Deferred tax liability	11.	7,092,074	6,023,475	7,092,074	6,023,475
		25,746,790	28,392,256	23,336,790	25,982,256
Current liabilities					
Trade and other payables	28.	20,344,468	20,125,594	20,308,573	19,710,927
Current tax liabilities	11.	2,245,482	594,493	2,245,442	589,440
Contract liabilities	27.	296,375	258,284	296,375	258,284
Borrowings	18.	7,670,325	7,846,378	7,670,325	7,846,378
Deferred income	26.	444,000	447,756	444,000	447,756
Defined benefit liability	32.	51,504	33,008	51,504	33,008
		31,052,154	29,305,513	31,016,219	28,885,793
Total liabilities		56,798,944	57,697,769	54,353,009	54,868,049
Total equity and liabilities		125,686,748	120,487,382	123,890,111	117,916,684

The Unaudited Consolidated and Separate Financial Statements on pages 3 to 25 were approved by the Board of Directors on the 26 January 2024 and were signed on its behalf by:


Mr. Emmanuel Nnorom
 Chairman
 FRC/2014/ICAN/00000007402


Mrs. Oluwatobiloba Ojadiran
 Chief Finance Officer
 FRC/2020/001/00000020314


Mrs. Dupe Olusola
 Managing Director/CEO
 FRC/2020/003/00000021104

The accounting policies on pages 8 to 9 and the notes on pages 10 to 25 form an integral part of the consolidated and separate financial statements.

TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY AS AT 31 DECEMBER 2023

	Share capital	Share premium	Retained earnings	Total attributable to owners of the parent	Non-controlling interests	Total equity
	N '000	N '000	N '000	N '000	N '000	N '000
Group						
Balance at 1 January 2022	5,121,264	12,548,859	44,577,786	62,247,909	(27,684)	62,220,225
Profit for the year	-	-	2,677,730	2,677,730	(59,836)	2,617,894
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,677,730	2,677,730	(59,836)	2,617,894
Dividends for 2021	-	-	(716,977)	(716,977)	-	(716,977)
Dividends for 2022	-	-	(1,331,529)	(1,331,529)	-	(1,331,529)
Total contributions by and distributions to Owners of Company	-	-	(2,048,506)	(2,048,506)	-	(2,048,506)
Balance at 31 December 2022	5,121,264	12,548,859	45,207,010	62,877,133	(87,520)	62,789,614
Balance as at 1 January 2023	5,121,264	12,548,859	45,207,010	62,877,133	(87,520)	62,789,614
Profit/(loss) for the year	-	-	6,159,635	6,159,635	(61,444)	6,098,191
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	6,159,635	6,159,635	(61,444)	6,098,191
Dividends for 2023	-	-	-	-	-	-
Total contributions by and distributions to Owners of Company	-	-	-	-	-	-
Balance at 31 December 2023	5,121,264	12,548,859	51,366,645	69,036,768	(148,964)	68,887,805
Company						
Balance at 1 January 2022	5,121,264	12,548,859	44,347,486	62,017,609	-	62,017,609
Profit for the year	-	-	3,079,532	3,079,532	-	3,079,532
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	3,079,532	3,079,532	-	3,079,532
Dividends for 2021	-	-	(716,977)	(716,977)	-	(716,977)
Dividends for 2022	-	-	(1,331,529)	(1,331,529)	-	(1,331,529)
Total contributions by and distributions to Owners of Company	-	-	(2,048,506)	(2,048,506)	-	(2,048,506)
Balance at 31 December 2022	5,121,264	12,548,859	45,378,512	63,048,635	-	63,048,635
Balance at 1 January 2023	5,121,264	12,548,859	45,378,512	63,048,635	-	63,048,635
Profit for the year	-	-	6,488,467	6,488,467	-	6,488,467
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	6,488,467	6,488,467	-	6,488,467
Dividends for 2023	-	-	-	-	-	-
Total contributions by and distributions to Owners of Company	-	-	-	-	-	-
At 31 December 2023	5,121,264	12,548,859	51,866,979	69,537,102	-	69,537,102

The accounting policies on pages 8 to 9 and the notes on pages 10 to 25 form an integral part of the consolidated and separate financial statements.

TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		N '000	N '000	N '000	N '000
Operating activities					
Cash generated from operations	29	15,219,183	11,635,117	14,798,733	9,797,629
Income taxes paid	11.	(589,504)	(166,530)	(589,505)	(161,821)
Net cash from operating activities		14,629,679	11,468,587	14,209,228	9,635,808
Investing activities					
Interest received	8.2	-	8,721	-	33,240
Equity investment acquired	26	-	(300,075)	-	(300,075)
Proceeds from sale of property, plant and equipment		96,849	1,524	96,749	1,317
Purchase of property, plant and equipment	13.	(4,058,090)	(6,585,550)	(3,623,707)	(4,674,165)
Purchase of intangible asset	15.	(35,300)	(32,653)	(12,800)	(10,218)
Net cash used in investing activities		(3,996,541)	(6,908,033)	(3,539,758)	(4,949,901)
Financing activities					
Proceeds from borrowings		-	2,000,000	-	2,000,000
Repayment of borrowings		(3,738,679)	(2,717,032)	(3,738,679)	(2,717,032)
Interest paid		(2,682,831)	(3,310,532)	(2,682,831)	(3,310,532)
Dividends paid		(1,331,529)	(716,977)	(1,331,529)	(716,977)
Net cash used in financing activities		(7,753,039)	(4,744,541)	(7,753,039)	(4,744,541)
Net (decrease)/increase in cash and cash equivalents		2,880,099	(183,987)	2,916,431	(58,634)
Cash and cash equivalents at beginning of year		3,258,117	3,184,233	3,176,439	2,984,581
Effect of foreign exchange rate changes		1,091,436	257,871	1,091,436	250,492
Cash and cash equivalents at end of year	23.	7,229,652	3,258,117	7,184,306	3,176,439

The accounting policies on pages 8 to 9 and the notes on pages 10 to 25 form an integral part of the consolidated and separate financial statements.

**TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. Corporate information

Transcorp Hotels Plc. is a public limited company incorporated and domiciled in Nigeria.

Transcorp Hotels Plc (the Company or the parent) was incorporated under the Companies and Allied Matters Act on 12 July 1994 as a private limited liability Company and is domiciled in Nigeria. Following a successful Initial Public Offer (IPO), the Company was in January 2015 listed on the Nigerian Exchange Group (formerly Nigerian Stock Exchange) and its shares are publicly traded.

The ultimate parent of the Company is Transnational Corporation Plc. with 76.16% (2022:76.16%) shareholdings.

The registered office is located at 1 Aguiyi Ironsi Street, Maitama, Federal Capital Territory, Abuja, Nigeria.

The Group is principally engaged in hospitality activities; rendering of hotel services by providing luxury accommodation, exotic cuisines, fully equipped meeting rooms, and leisure facilities to business travelers and tourists from all over the world. Information on the Group's structure is provided in Note 8.

The unaudited consolidated and separate financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 26th January 2024.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below.

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate financial statements and the Companies and Allied Matters Act of Nigeria, 2020.

The consolidated and separate financial statements have been prepared on the historical cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. The consolidated and separate financial statements are presented in Naira, which is the Group's and Company's functional currency.

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

These accounting policies are consistent with the previous year.

**TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 DECEMBER 2023**

Going Concern

Management believes that a going concern assumption is appropriate for the Group due to sufficient capital adequacy ratio and projected liquidity. This is based on historical experience that short-term obligations will be re-financed as required in the normal course of business.

Liquidity ratio and continuous evaluation of current ratio of the Group is carried out on an ongoing basis to ensure that there are no going concern threats to the operations of the Group.

2.2 Segmental Reporting

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

The basis of segmental reporting has been set out in Note 3.

2.3 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved when the Company:

- 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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holding of the other shareholders
- Potential voting rights held by the Company, other vote holders or other parties
- Rights arising from other contractual arrangements
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

**TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the Managing Director/Chief Executive Officer (MD/CEO) of Transcorp Hotels Plc. The MD/CEO reviews the Group's internal reporting in order to assess performance and allocate resources. The MD/CEO has determined the operating segments based on these reports. Assessment of performance is based on operating profits of the operating segment that is reviewed by the MD/CEO and other Directors. Other information provided to the Board is measured in a manner consistent with that of the financial statements.

The Directors considers the business from an industry perspective and has identified one (1) operating segment which is the hospitality business as none of the subsidiaries consolidated qualify for segment analysis.

All businesses are situated in Nigeria. In addition, there are no inter-segmental sales as all sales are to external customers.

Segments by entity	For the year ended 31 December 2023			
	Company		Other Segments	Group Transcorp Hotels Plc
	Transcorp Hotels Calabar Limited	Transcorp Hotels Plc		
	N '000	N '000	N '000	N '000
Rooms	678,652	26,702,271	-	27,380,923
Food & Beverage	523,939	13,038,165	-	13,562,104
Shop rental	-	1,175,597	-	1,175,597
Service charge	14,680	175,778	-	190,458
Recreation Service	-	201,625	-	201,625
Secretarial Service	-	75,428	-	75,428
Accommodation and experiences	-	-	17,591	17,591
Other operating revenue	27,467	69,422	-	96,889
Total revenue from contracts with customers	1,244,738	41,438,286	17,591	42,700,615

Segments by entity	For the year ended 31 December 2022			
	Company		Other Segments	Group Transcorp Hotels Plc
	Transcorp Hotels Calabar Limited	Transcorp Hotels Plc		
	N '000	N '000	N '000	N '000
Rooms	524,792	19,151,138	-	19,675,930
Food and beverages	439,938	9,785,311	-	10,225,249
Shop rental	-	1,055,726	-	1,055,726
Service charge	11,803	89,018	-	100,821
Recreation Service	-	253,865	-	253,865
Secretarial Service	-	59,400	-	59,400
Accommodation and experiences	-	-	6,499	6,499
Other operating revenue	26,162	38,262	-	64,424
Total revenue from contracts with customers	1,002,696	30,432,720	6,499	31,441,914

**TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Interests in Subsidiaries including Consolidated Structure Entities

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

Name	Principal activities	Country of incorporation	% equity interest	
			2023	2022
Transcorp Hotels Calabar Limited	Hospitality	Nigeria	100	100
Transcorp Hotels Port Harcourt Limited	Hospitality	Nigeria	100	100
Transcorp Hotels Ikoyi Limited	Hospitality	Nigeria	58	58
Aura by Transcorp Hotels Limited	Hospitality	Nigeria	60	60

Investment in subsidiaries

Name	2023	2022
	N '000	N '000
Transcorp Hotels Calabar Limited	2,500,000	3,508,621
Transcorp Hotels Port Harcourt Limited	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
Aura by Transcorp Hotels Limited	60	60
	2,521,220	3,529,841

4.1 Movement in investment in subsidiaries	2023	2022
	N '000	N '000
As at 1 January	3,529,841	-
Impairment loss on investment in subsidiary (Note 7)	(1,008,621)	-
	2,521,220	-

The Holding Company

The immediate and ultimate holding company of Transcorp Hotels Plc is Transnational Corporation Plc which is based and listed in Nigeria.

Entity with significant influence over the Group

Ministry of Finance Incorporated owns 11.04% of the ordinary shares of Transcorp Hotels Plc (2022: 11.04%).

Non-controlling interest

- Heirs Holdings Ltd owns 42% of the ordinary shares of Transcorp Hotels Ikoyi Limited (2022: 42%).
- Transnational Corporation Plc. and Heirs Holdings Ltd own 20% each of the ordinary shares of Aura by Transcorp Hotels Ltd (2022:same)

TRANSCORP HOTELS PLC.
UNAUDITED FINANCIAL STATEMENTS
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
5. Revenue				
Rooms	27,380,923	19,675,930	26,702,271	19,151,138
Food and beverages	13,562,104	10,225,249	13,038,165	9,785,311
Service Charge	190,458	100,821	175,778	1,055,726
Shop Rental	1,175,597	1,055,726	1,175,597	89,018
Accommodation and experiences	17,591	6,499	-	-
Recreation Service	201,625	253,865	201,625	253,865
Secretarial Service	75,428	59,400	75,428	59,400
Other operating revenue	96,889	64,424	69,422	38,262
	42,700,615	31,441,914	41,438,286	30,432,720

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
6. Cost of sales				
Rooms	3,911,294	3,407,164	3,865,914	3,367,103
Food and beverages	7,863,752	5,104,372	7,553,043	4,851,662
Other operating costs	314,075	540,721	251,536	482,888
Total cost of sales	12,089,123	9,052,257	11,670,493	8,701,653

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
7. Other operating income				
Net gain/(loss) on disposal of property, plant and equipment	18,128	(3,150)	36,098	317
Change in fair value of investment properties (Note 14)	-	-	22,784	22,765
Impairment loss on Investment in subsidiary (Note 4)	-	-	(1,008,621)	-
Fair value loss on assets held for sale (Note 17)	(1,024,451)	-	-	-
Key money (Note 27.2)	152,825	152,825	152,825	152,825
Deferred income (Note 26)	447,996	464,459	447,996	464,459
Net foreign exchange gain	1,091,436	257,871	1,091,436	250,492
Other operating income	50,401	97,238	64,150	103,881
Total net other operating income	736,335	969,243	806,668	994,739

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
8. Finance costs/ income				
8.1 Finance costs				
Interest on debts and borrowings	3,095,448	2,340,566	3,095,448	2,340,566
Interest on Intercompany balance	1,005,422	1,708,366	1,005,422	1,708,366
Other finance cost	92,564	92,564	92,564	92,564
	4,193,434	4,141,497	4,193,435	4,141,497
Less: Capitalised borrowing cost	(313,890)	-	(313,890)	-
Total finance costs	3,879,544	4,141,497	3,879,544	4,141,497

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	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
8.2 Finance income				
Interest on bank deposits	84,407	8,721	111,530	33,240
Total finance income	84,407	8,721	111,530	33,240

9. Impairment (losses)/gains on financial assets

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
Trade receivables	37,718	64,273	38,272	68,573
Receivables from related parties	-	-	-	553
Receivables from related parties (long term receivables)	-	-	6,252	6,252
	37,718	64,273	44,524	75,378

10. Operating expenses

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
Advertising	776,942	370,108	749,432	345,617
Amortisation (Note 20)	35,776	32,402	28,277	28,418
Auditors remuneration	79,149	59,900	58,969	37,800
Bank charges	550,399	425,192	543,906	418,783
Consulting and professional fees	128,821	62,903	122,112	56,642
Depreciation (Note 13)	2,563,663	2,589,419	2,433,626	2,477,531
Directors' remuneration	205,074	205,074	205,074	178,372
Donations	5,219	5,219	5,219	5,219
Employee costs	2,762,259	2,196,939	2,524,461	1,946,991
Energy cost	2,873,483	2,334,313	2,425,165	2,026,919
Group services and benefits	904,961	736,526	904,961	736,526
Insurance	644,394	469,073	635,793	460,931
IT expenses	249,871	206,558	214,355	177,096
Licences, fees and rates	49,159	100,923	37,518	96,377
Management fees *	2,471,272	1,819,118	2,471,272	1,819,118
Medical expenses	50,190	64,542	50,190	64,542
Other expenses	1,191,014	848,475	1,097,949	789,855
Printing and Stationery	50,301	55,677	50,301	55,677
Repairs and maintenance	2,155,286	1,758,290	2,061,246	1,686,146
Security	95,353	112,045	92,335	109,276
Travel, logistics and accommodation	260,089	182,151	247,189	173,302
Total administrative expenses	18,102,675	14,634,847	16,959,350	13,691,138

Deloitte & Touche did not carry out any non-audit services within the period.

*Management fees are made up of management fee payable to Hilton International at 1.5% of revenue, incentive fee based on an accelerated rate schedule applied on 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 Company.

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11. Income Tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
Current Income Tax:				
Current Income/Minimum Tax Charge	1,941,118	278,228	1,941,118	273,215
Excess dividend tax	-	126,244	-	126,244
Tertiary Education Tax Charge	304,389	190,051	304,389	190,012
	2,245,507	594,523	2,245,507	589,471
Deferred tax:				
Originating and reversing temporary differences	1,068,599	1,314,586	1,068,599	1,182,030
Tax expense in the statement of profit or loss	3,314,106	1,909,109	3,314,106	1,771,501
Current tax payable				
As of 1 January	594,493	166,500	589,440	161,790
Reclassification to asset held for sale	(5,014)	-	-	-
Income tax expense during the year	2,245,507	594,523	2,245,507	589,471
Payment during the year	(589,504)	(166,530)	(589,505)	(161,821)
As of 31 December	2,245,482	594,493	2,245,442	589,440

The charge for taxation has been computed in accordance with the provisions of the Companies Income Tax Act, CAP C21, LFN 2004 (as amended) and the Education Tax Act, CAP E4, LFN 2004 (as amended).

11.1 Deferred tax

Deferred tax relates to the following:

	Group		Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
Deferred tax liability	7,092,074	6,023,475	7,092,074	6,023,475
Total Net Deferred Tax Liability	7,092,074	6,023,475	7,092,074	6,023,475

12. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit/loss 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	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
	N '000	N '000	N '000	N '000
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings	6,159,635	2,677,731	6,488,467	3,079,532
	Thousands	Thousands	Thousands	Thousands
Weighted number of shares at the end of the year	10,242,528	10,242,528	10,242,528	10,242,528
Basic Earnings per share (Kobo)	60	26	63	30
Diluted Earnings per share (Kobo)	60	26	63	30

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.

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13. Property, plant and equipment

Group	Freehold Land	Building	Plant & Machinery	Computer & Office Equipment	Motor Vehicle	Capital work in progress	Total
	N '000	N '000	N '000	N '000	N '000	N '000	N '000
Cost							
1-January-2022	37,271,552	50,578,049	6,059,224	18,280,020	498,868	6,751,714	119,439,427
Additions	1,430,000	253,119	255,392	1,228,291	775	3,417,974	6,585,550
Reclassification	1,100,000	-	-	-	-	(1,100,000)	-
Disposal	-	(4,413)	-	(25,872)	-	-	(30,285)
31-December-2022	39,801,552	50,826,755	6,314,616	19,482,439	499,643	9,069,688	125,994,692
Additions	229,493	141,025	482,709	1,299,611	83,850	1,840,345	4,077,033
Reclassification	-	(43,772)	43,772	-	-	-	-
Transfer to assets held for sale	(485,888)	(1,296,701)	(754,736)	(593,448)	(15,089)	(3,368)	(3,149,229)
Disposal	-	(27,184)	(1,022,050)	(1,821,480)	(170,140)	(3,636)	(3,044,490)
31-December-2023	39,545,157	49,600,123	5,064,310	18,367,123	398,264	10,903,029	123,878,006
Accumulated depreciation and impairment losses							
1 January 2022	-	5,806,167	3,439,824	5,793,427	420,120	-	15,459,538
Depreciation for the year	-	1,124,806	265,755	1,178,098	20,761	-	2,589,419
Disposals	-	(901)	-	(24,710)	-	-	(25,611)
31-December-2022	-	6,930,072	3,705,579	6,946,816	440,880	-	18,023,347
Depreciation for the year	-	1,075,721	232,864	1,209,555	45,523	-	2,563,663
Transfer to assets held for sale	-	(475,823)	(592,474)	(435,725)	(14,589)	-	(1,518,611)
Disposals	-	(20,822)	(1,021,898)	(1,814,752)	(170,140)	-	(3,027,612)
31-December-2023	-	7,509,148	2,324,071	5,905,894	301,674	-	16,040,787
Net book value							
At 31 December 2023	39,545,157	42,090,975	2,740,239	12,461,229	96,590	10,903,029	107,837,219
At 31 December 2022	39,801,552	43,896,683	2,609,037	12,535,623	58,763	9,069,688	107,971,345

The gross carrying amount of the fully depreciated property, plant and equipment that is still in use by the Group as at reporting date is N2.3 billion

In line with IAS 40 (Investment Property), the investment properties occupied by Transcorp Hotels Port Harcourt Limited (subsidiary of the Group) has been reclassified to property, plant and equipment upon consolidation.

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13. Property, plant and equipment continued

Company

	Freehold Land	Building	Plant & Machinery	Computer & Office Equipment	Motor Vehicle	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
1-January-2022	30,872,625	49,336,394	5,342,901	17,862,560	484,554	1,452,762	105,351,796
Additions	-	197,675	222,502	1,054,706	-	3,199,282	4,674,165
Disposals	-	-	-	(25,489)	-	-	(25,489)
31-December-2022	30,872,625	49,534,069	5,565,403	18,891,777	484,554	4,652,044	110,000,472
Additions	-	137,010	477,185	1,290,235	83,850	1,635,427	3,623,707
Reclassification	-	(43,772)	43,772	-	-	-	-
Disposal	-	(27,184)	(1,022,050)	(1,821,480)	(170,140)	(3,636)	(3,044,490)
31-December-2023	30,872,625	49,600,123	5,064,310	18,360,532	398,264	6,283,836	110,579,689
Accumulated depreciation and impairment losses							
1 January 2022	-	5,420,951	2,922,330	5,429,500	405,314	-	14,178,095
Depreciation for the year	-	1,080,056	228,504	1,147,524	21,447	-	2,477,531
Disposals	-	-	-	(24,489)	-	-	(24,489)
31-December-2022	-	6,501,007	3,150,833	6,552,535	426,760	-	16,631,137
Depreciation for the year	-	1,028,963	195,137	1,164,473	45,054	-	2,433,626
Disposals	-	(20,822)	(1,021,898)	(1,814,752)	(170,140)	-	(3,027,612)
31-December-2023	-	7,509,148	2,324,071	5,902,256	301,674	-	16,037,151
Net book value							
At 31 December 2023	30,872,625	42,090,975	2,740,239	12,458,276	96,590	6,283,836	94,542,538
At 31 December 2022	30,872,625	43,033,062	2,414,570	12,339,242	57,794	4,652,044	93,369,335

Property, plant and equipment encumbered as security

As at 31 December 2023, there is negative pledge over the Group's property, plant and equipment and floating assets, given in relation to the Group's borrowings.

Impairment and reversal of impairment

No impairment loss nor reversal was recognised in the current year (2022: Nil).

Capital commitment

At 31 December 2023, the company had no capital commitments for the acquisition of property, plant and equipment (2022: Nil).

Capital work in progress

Capital work in progress comprises mainly building under construction that are not yet in location or condition for use during the year.

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14. Investment property

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Opening balance at 1 January	-	-	1,717,765	1,695,000
Net gain/(loss) from fair value remeasurement	-	-	22,784	22,765
Closing balance at 31 December	-	-	1,740,549	1,717,765

15. Intangible assets

	Computer Software	
	Group N'000	Company N'000
Cost		
At 1 January 2022	364,735	330,500
Additions	32,653	10,218
At 31 December 2022	397,388	340,718
Additions	35,300	12,800
Disposal	(22,616)	-
Transfer to asset held for sale	(11,554)	-
At 31 December 2023	398,518	353,518
Amortisation		
At 1 January 2022	206,130	193,035
Amortisation	32,402	28,418
At 31 December 2022	238,532	221,453
Amortisation	35,776	28,277
Disposal	(4,646)	-
Transfer to asset held for sale	(10,745)	-
At 31 December 2023	258,917	249,730
Net book value		
At 31 December 2023	139,601	103,788
At 31 December 2022	158,856	119,265

Computer software consists of acquisition costs of software used in the day-to-day operations of the Group.

16. Goodwill

Goodwill was acquired through the business combinations of Transcorp Hotels Calabar Limited.

Carrying amount of goodwill

	Transcorp Hotels Calabar Limited	
	2023 N'000	2022 N'000
Goodwill	1,974,756	1,974,756
Transfer to assets held for sale (Note 17)	(1,974,756)	-
Carrying value	-	1,974,756

17. Assets held for sale

	Group		Company	
	31 Dec 2023 N'000	31 Dec 2022 N'000	31 Dec 2023 N'000	31 Dec 2022 N'000
Transfer from Goodwill (Note 8)	1,974,756	-	-	-
Transfer of net assets of Transcorp Hotels Calabar Limited	1,549,695	-	-	-
Fair value loss	(1,024,451)	-	-	-
Fair Value of non-current assets held for sale	2,500,000	-	-	-

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18. Borrowings

	Interest rate	Maturity	Group		Company	
			2023	2022	2023	2022
	%		₦ '000	₦ '000	₦ '000	₦ '000
N2 billion bank overdraft	13.0	6-Dec-23	1,748,926	1,924,980	1,748,926	1,924,980
N2 billion loan	16.8	8-Nov-26	2,027,534	2,020,727	2,027,534	2,020,727
N12.75 billion loan	10.0	31-May-29	11,231,040	12,109,253	11,231,040	12,109,253
N10 billion loan	10.0	6-Mar-26	5,626,016	7,904,617	5,626,016	7,904,617
Total interest-bearing loans and borrowings			20,633,516	23,959,577	20,633,516	23,959,577
Current			7,670,325	7,846,378	7,670,325	7,846,378
Non-current			12,963,191	16,113,199	12,963,191	16,113,199
			20,633,516	23,959,577	20,633,516	23,959,577

Bank Overdraft

The Bank Overdraft is secured by a negative pledge on the Company's assets.

N2 billion loan

N2 billion term loan with a tenor of 4 years and 48 months moratorium

N12.75 billion loan

N12.75 billion term loan with a tenor of 8 years and 24 months moratorium and at interest rate of 10%. The loan is secured by an arrangement by Transnational Corporation Plc (the Parent Company).

N10 billion loan

N10 billion term loan with a tenor of 7 years and 24 months moratorium and at interest rate of 10%. The loan is secured by an arrangement by Transnational Corporation Plc (the Parent Company).

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19. Inventories

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Food and beverage	214,995	210,491	214,995	167,178
Fuel	280,097	207,346	280,097	207,346
Engineering spares	-	29,677	-	-
Guest supplies	150,472	169,110	150,472	155,347
	645,564	616,624	645,564	529,871

20. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Financial Instruments:				
Trade receivables	1,606,078	1,234,253	1,606,038	1,110,153
Receivables from related parties	1,172,956	37,675	2,148,085	773,904
Provision for impairment on trade receivables (Note 20.1 & 20.2)	(77,839)	(49,596)	(78,392)	(46,040)
	2,701,195	1,222,332	3,675,731	1,838,017
Non-Financial Instruments:				
Deposits and advances	710,201	1,108,067	697,439	1,096,052
Withholding tax receivables	421,561	394,760	408,048	385,280
Other receivables	432,628	495,316	450,008	474,196
Total Trade and Other Receivables	4,265,585	3,220,475	5,231,226	3,793,545

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Deposits and advances include amounts paid in advance to suppliers for goods to be delivered in the near future. It also includes employee advances for operating expenses which will be retired after the related purchases.

Other receivables generally arise from transactions outside the provision of hospitality and related activities in the day-to-day operations of the Group. These include advances to contractors, advances to staff, etc. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. All other receivables are due and payable within one year from the end of the reporting period.

20.1 Allowance for expected credit losses

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

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
As at 1 January	49,596	56,701	45,486	28,952
Charged for the year/(Provisions reversed)	37,718	64,273	44,524	74,825
Write-off	(9,475)	(71,378)	(12,171)	(58,291)
As at 31 December	77,839	49,596	77,839	45,486

20.2 Allowance for expected credit losses - Other financial assets

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

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
As at 1 January	-	-	553	-
Provision for expected credit losses	-	-	-	553
As at 31 December	-	-	553	553

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21. Prepayments

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Maintenance contracts	253,499	231,123	253,499	205,949
Insurance and permits	246,487	284,041	246,487	284,041
Prepaid loan processing fees (BOI loans)	332,489	432,768	332,489	432,768
Service charge advance	-	-	-	-
Other prepaid expenses	187,650	114,222	187,650	114,222
	1,020,125	1,062,154	1,020,125	1,036,980

22. Other investment

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Equity instrument	300,075	300,075	300,075	300,075
	300,075	300,075	300,075	300,075

The equity instrument represents a purchase of 7.5% of the 2,000,000 ordinary share capital of Jeolan Ltd.

23. Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Cash on hand	31,648	26,713	31,648	26,028
Cash at banks	7,350,987	4,296,032	7,305,641	4,215,039
Short term deposit	1,595,944	860,352	1,595,944	860,352
	8,978,579	5,183,097	8,933,233	5,101,419

Cash at banks earns interest at floating rates based on daily bank deposit rates.

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following as at 31st December:

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Cash on hand and at bank	7,382,635	4,322,745	7,337,289	4,241,067
Short term deposit	1,595,944	860,352	1,595,944	860,352
	8,978,579	5,183,097	8,933,233	5,101,419
Bank overdrafts	(1,748,926)	(1,924,980)	(1,748,926)	(1,924,980)
Cash and cash equivalents	7,229,653	3,258,117	7,184,307	3,176,439

24. Share Capital

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Authorised shares 10,242,528,411 (2022:10,242,528,411) ordinary shares of 50k each	5,121,264	5,121,264	5,121,264	5,121,264
Ordinary shares issued and fully paid 10,242,528,411 ordinary shares of 50k each	5,121,264	5,121,264	5,121,264	5,121,264
Share premium At 1 January	12,548,859	12,548,859	12,548,859	12,548,859
At 31 December	12,548,859	12,548,859	12,548,859	12,548,859

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(a) Compliance with Free Float Requirements and Shareholding pattern as at 31st December

Shareholding Structure/Free Float Status

Description	2023		2023	
	Units	% Holding	Units	% Holding
Issued Share Capital	10,242,528,411	100%	10,242,528,411	100%
Substantial Shareholdings (5% and above)				
Transnational Corporation Plc	7,800,070,016	76.15%	7,800,070,016	76.15%
Ministry of Finance Incorporated	1,131,165,000	11.04%	1,131,165,000	11.04%
Total Substantial Shareholdings	8,931,235,016	87.20%	8,931,235,016	87.20%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Mr. Emmanuel Nnorom (Indirect - Representing Vine Foods Ltd)	1,000,000	0.01%	1,000,000	0.01%
Mrs. Dupe Olusola (Direct)	310,574	0.00%	310,574	0.00%
Mrs. Owen Omogiafo (Direct)	350,000	0.00%	350,000	0.00%
Mrs. Helen Iwuchukwu (Direct)	-	0.00%	10,000	0.00%
Mr. Peter Elumelu (Direct)	135,000	0.00%	135,000	0.00%
Mr. Alexander Okoh (Direct)	-	0.00%	10,000	0.00%
Bolanle Onagoruwa (Direct)	162,031	0.00%	122,329	0.00%
Total Directors' Shareholdings	1,957,605	0.02%	1,937,903	0.02%
Other Influential Shareholdings				
Nil	-	0.00%	-	0.00%
Total Other Influential Shareholdings	-	0.00%	-	0.00%
Free Float in Units and Percentage	1,309,335,790	12.78%	1,309,355,492	12.78%
Free Float in Value	91,889,185,742		8,196,565,380	

Declaration:

Transcorp Hotels Plc with a free float value of N30,637,989,486 as at 31 December 2023, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

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According to the register of members as at 31 December 2023, the shareholding in the Company was as follows:

Range	No. of Holders	Holder %	Units	Unit %
1-999	502	26.76%	90,062	0.00%
1,000 - 9,999	863	46.00%	2,091,897	0.02%
10,000-99,999	398	21.22%	8,805,321	0.09%
100,000-999,999	91	4.85%	16,415,174	0.16%
1,000,000-9,999,999	14	0.75%	37,560,135	0.37%
10,000,000-99,999,999	1	0.05%	10,000,000	0.10%
100,000,000-999,999,999	5	0.27%	1,236,330,806	12.07%
Above 1,000,000,000	2	0.11%	8,931,235,016	87.20%
Total	1,876	100%	10,242,528,411	100%

	Group		Company	
	2023	2022	2023	2022
25. Distributions made and proposed				
Cash dividends on ordinary shares declared:				
Dividend for 2023-Nil (2022: 13k per share)	-	1,331,529	-	1,331,529
	-	1,331,529	-	1,331,529

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
26. Deferred income				
At 1 January	1,992,078	2,456,537	1,992,078	2,456,537
Released to the statement of profit or loss	(447,996)	(464,459)	(447,996)	(464,459)
	1,544,082	1,992,078	1,544,082	1,992,078
Current	444,000	447,756	444,000	447,756
Non-current	1,100,082	1,544,322	1,100,082	1,544,322
	1,544,082	1,992,078	1,544,082	1,992,078

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 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 billion and N448 million was credited to other operating income in the statement of profit or loss for the period ended 31 December 2023.

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
27. Contract liabilities				
Short-term advances for hospitality services (Note 27.1)	143,555	105,464	143,555	105,464
Key money from Hilton (Note 27.2)	2,139,550	2,292,375	2,139,550	2,292,375
	2,283,105	2,397,839	2,283,105	2,397,839
Current	296,375	258,284	296,375	258,284
Non current	1,986,730	2,139,555	1,986,730	2,139,555
	2,283,105	2,397,839	2,283,105	2,397,839

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27.1 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. The entire advances would be earned as revenue in 2023.

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Reconciliation of Short-term advances				
At 1 January	105,464	105,464	105,464	105,464
Deferred during the year	143,555	105,464	143,555	105,464
Recognised as revenue during the year	(105,464)	(105,464)	(105,464)	(105,464)
At 31 December	143,555	105,464	143,555	105,464
Current	143,555	105,464	143,555	105,464

27.2 Key money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed \$ 10 million towards the refurbishment of the hotel. The contribution is referred to as Key money. It does not attract any interest and is not repayable by the Company unless the contract is terminated before the end of the 20-year contract period (31st December 2038). 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 N2.14bn relates to the unamortised portion of the key money as at 31 December 2023.

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Reconciliation of Key money from Hilton				
At 1 January	2,292,375	2,445,200	2,292,375	2,445,200
Recognised as other operating income during the year	(152,825)	(152,825)	(152,825)	(152,825)
At 31 December	2,139,550	2,292,375	2,139,550	2,292,375

28. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Trade payables	2,794,669	2,223,614	2,765,876	2,146,301
Related parties	11,660,440	12,885,522	11,660,440	12,885,522
Other payables	5,889,359	5,016,457	5,882,257	4,679,104
	20,344,468	20,125,594	20,308,573	19,710,927

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

28.1 Other payables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
VAT payable	349,078	295,291	349,078	225,625
Accrued liabilities	4,809,777	4,009,160	4,802,675	3,767,489
Unclaimed dividend	211,956	147,017	211,956	147,017
Security deposits from guests	165,518	165,501	165,518	165,501
WHT Payable	353,030	399,489	353,030	373,472
	5,889,359	5,016,458	5,882,257	4,679,104

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29. Cash generated from operations

	Notes	Group		Company	
		2023	2022	2023	2022
Profit before tax		9,412,297	4,527,003	9,802,573	4,851,033
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	13	2,563,663	2,589,419	2,433,626	2,477,531
Amortisation of intangible assets	15	35,776	32,402	28,277	28,418
Impairment allowance on financial assets	9	37,718	(64,273)	44,524	(75,378)
(Gain)/Loss in fair value of investment properties	7	-	-	(22,784)	(22,765)
Fair value loss on assets held for sale	7	1,199,100	-	-	-
Impairment loss on investment in subsidiaries	7	-	-	1,008,621	-
(Gain)/Loss on foreign exchange	7	(1,168,690)	(257,871)	(1,051,719)	(250,492)
Loss/(Gain) on disposal of property, plant and equipment	7	(18,128)	3,150	(36,098)	(317)
Day 1 Gain Income	25	(447,996)	(464,459)	(447,996)	(464,459)
Finance income	8.2	(84,407)	(8,721)	(111,530)	(33,240)
Finance cost	8.2	4,193,434	4,141,497	4,193,435	4,141,497
Working capital adjustments:					
(Increase) in trade and other receivables		(998,422)	(519,600)	(1,370,676)	(792,037)
Decrease/(Increase) in prepayments		42,029	360,183	16,855	367,677
Decrease/(Increase) in inventories		(28,940)	2,899	(115,693)	40,337
Decrease in contract liabilities		(114,734)	(88,351)	(114,734)	(88,351)
Increase in long term receivables		-	-	(433,205)	(1,664,852)
Increase in defined benefit liability	32	51,504	194,713	51,504	194,713
Increase/(decrease) in trade and other payables		544,979	1,187,125	923,753	1,088,313
		15,219,183	11,635,117	14,798,733	9,797,629

30. Deposit for shares

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
	2,410,000	2,410,000	-	-

Deposit for shares relates to Heirs Holdings Ltd's contribution to the development of Transcorp Hotels Ikoyi Limited (THIL). Based on the Memorandum of Understanding between Transcorp Hotels Plc and Heirs Holdings Ltd, THIL will issue shares to Heirs Holdings Ltd on completion of the construction and start of operation of the hotel.

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
At 1 January	-	-	8,424,840	6,753,736
Additions				
Transcorp Hotels Port Harcourt Limited	-	-	8,363	28,208
Transcorp Hotels Ikoyi Limited	-	-	424,842	1,642,896
Gross carrying amount			8,858,045	8,424,840
Impairment	-	-	(6,252)	(6,252)
Net carrying amount			8,851,793	8,418,588

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32. Defined Benefit Plan - Other employee benefit

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:

	2023 N '000	2022 N '000
Present value of defined benefit obligations	246,217	194,713
Fair value of plan assets	-	-
Funded status	246,217	194,713
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	246,217	194,713
Current	51,504	33,008
Non current	194,713	161,705
	246,217	194,713

Movements in the present value of defined benefit obligations in the year were as follows:

	2023 N '000	2022 N '000
Opening defined benefit obligation	194,713	-
Service cost	51,504	194,713
Closing defined benefit obligation	246,217	194,713

33. 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.

34. Subsequent Events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Group and Company as at 31 December 2023 that have not been adequately provided for or disclosed in these financial statements.