



**TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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**TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CORPORATE INFORMATION

Country of incorporation and domicile:	Nigeria
Directors:	<p>Mr. Tony O. Elumelu, CFR Chairman</p> <p>Dr. (Mrs) Foluke K. Abdulrazaq, OON Vice Chairman / Independent Non-Executive Director</p> <p>Dr. (Mrs) Owen Omogiafo, OON President</p> <p>Mr. Emmanuel N. Nnorom Non-Executive Director</p> <p>Mr. Victor Famuyibo Independent Non-Executive Director</p> <p>Dr. Stanley Lawson Non-Executive Director</p> <p>Mr. Oliver Andrew Independent Non-Executive Director</p> <p>Mallam Ahmadu Sambo Independent Non-Executive Director</p> <p>Dr. (Mrs) Toyin Sanni Non-Executive Director</p>
Group Company Secretary:	Mr. Stanley Chikwendu
Registered office:	<p>38 Glover Road</p> <p>Ikoyi</p> <p>Lagos, Nigeria.</p>
Registration number:	RC 611238
Tax identification Number	01020694-0001
Registrars:	<p>Africa Prudential Plc</p> <p>220B Ikorodu Road</p> <p>Palmgrove, Lagos.</p>
Principal bankers:	<p>United Bank for Africa Plc</p> <p>First Bank of Nigeria Limited</p>
Auditors:	<p>Deloitte & Touche</p> <p>Chartered Accountants</p> <p>Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue</p> <p>Victoria Island, Lagos</p> <p>Nigeria.</p>
Investors Relations Manager:	<p>Mr. Oluwamayowa Awe</p> <p>mayowa.awe@transcorgroup.com</p>
Investors Relations Portal:	https://transcorgroup.com/investor-relations/

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS' 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 2023.

1. PRINCIPAL ACTIVITIES

The Group's business continues to be investing in and operating 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, cash flows and notes to the financial statements of the Group and Company are set out on pages 24 to 108 of these consolidated and separate financial statements. The summarised results are presented below.

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Revenue	196,989,632	133,718,490	12,293,063	10,318,046
Gross profit	109,143,870	65,768,625	12,293,063	10,318,046
Profit before tax	58,806,005	30,383,351	9,692,198	8,439,745
Tax	(26,169,757)	(13,299,040)	(1,640,808)	(1,223,768)
Profit after tax	32,636,248	17,084,311	8,051,390	7,215,977

3. DIRECTORATE

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

Directors

Mr. Tony O. Elumelu, CFR
Dr. (Mrs) Foluke K. Abdulrazaq, OON
Dr.(Mrs) Owen Omogiafo, OON
Mr. Emmanuel N. Nnorom
Mr. Victor Famuyibo
Dr. Stanley Lawson
Mr. Oliver Andrew
Mallam Ahmadu Sambo
Dr. (Mrs) Toyin Sanni

Designation

Chairman
Vice Chairman / Independent Non-Executive Director
President/Group Chief Executive Officer
Non-Executive Director
Independent Non-Executive Director
Non-Executive Director
Independent Non-Executive Director
Independent Non-Executive Director
Non-Executive Director

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DIRECTORS' REPORT - Contd'

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 2023 were as follows:

Directors	Designation	2023 Direct	2022 Direct	2023 Indirect	2022 Indirect
Mr. Tony O. Elumelu, CFR*	Chairman	273,104,041	273,104,041	11,986,909,845	293,983,193
				273,545,722	273,545,722
Dr. (Mrs) Foluke K. Abdulrazaq, OON	Vice Chairman / Independent Non-Executive Director	-	-	-	-
Dr. (Mrs) Owen Omogiafo, OON	President/Group CEO	27,817,871	12,634,188	-	-
Mr. Emmanuel N. Nnorom**	Non-Executive Director	-	-	253,487	11,653,487
Mr. Victor Famuyibo	Independent Non-Executive Director	300,000	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	-	-	-	-
Dr. (Mrs) Toyin Sanni	Non-Executive Director	-	31,506	-	-

*11,986,909,845 shares are held indirectly through HH Capital Limited and 273,545,722 shares are held indirectly through Heirs Holdings Limited.

**253,487 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. DIVIDENDS

The Board of Directors has proposed a dividend payment of N4,064,799,029.30 (2022:N2,032,399,514.65), being 10 kobo per share on the outstanding ordinary shares of 40,647,990,293 shares of 50 kobo each for the year ended 31 December 2023. 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 2023, below shareholders held 5% or more of the issued and fully paid shares of 50 kobo of the Company.

	2023 Number of shares	2023 %	2022 Number of shares	2022 %
HH CAPITAL LIMITED	11,986,909,845	29.49%	293,983,193	0.72%
UBA NOMINEES LTD - TRADING	3,760,000,000	9.25%	3,760,000,000	9.25%
ELUMELU AWELE VIVIEN	2,070,794,804	5.09%	175,961,810	0.43%

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DIRECTORS' REPORT - Contd'

There has been no change in the issued share capital during the year under review. The analysis of shareholders as at 31 December 2023 is shown below:

Range	No. of Holders	Percentage %	Holdings (number)	Percentage %
1 1-1000	7,042	2.50	2,718,982	0.01
2 1001- 5,000	177,374	62.93	334,254,741	0.82
3 5,001 - 10,000	32,319	11.46	202,864,044	0.50
4 10,001 - 50,000	47,378	16.81	862,336,592	2.12
5 50,001 - 100,000	6,846	2.43	446,944,794	1.10
6 100,001 - 500,000	8,165	2.90	1,623,186,446	3.99
7 500,001 - 1,000,000	1,154	0.41	801,083,054	1.97
8 1,000,001 - 999,999,999,999	1,586	0.56	36,374,601,640	89.49
Total	281,864	100.00	40,647,990,293	100.00

Shareholder Structure as at 31 December 2023

Holder type	Holder count	Holdings (number)	Percentage %
Individual	273,644	10,390,924,448	25.56
Government	23	5,433,088	0.01
Corporate	6,192	29,959,600,955	73.70
Foreign	812	55,081,737	0.14
Pension	11	19,254,019	0.05
Joint	1,041	135,037,166	0.33
Institution	141	82,658,880	0.21
Total	281,864	40,647,990,293	100.00

9. SHARE CAPITAL HISTORY

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

Year	Increase (N)	Authorised (N)	Cumulative (N)	Increase (N)	Issued & Fully Paid-up Cumulative (N)	Consideration
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 & 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.

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DIRECTORS' REPORT - Contd'

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 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 2023, 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:

	2023	2022
	N'000	N'000
Daughters of Charity food supply	5,333	4,077
Sewing Machine & accessories for Ace charity	1,173	1,034
Coalition of Orphanages & Children Home in Nigeria	1,664	-
Little League Baseball Tournament	5,000	-
Government Senior College Maroko	677	-
Institute of Capital Market Registrar	500	-
LBS Alumni Association	1,500	-
Donation of Items to Kuchingoro Old People's Home	-	108
	15,847	5,219

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.

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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

The Group was not fined during the year under review.

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.

Amount due to related parties	Nature of relationship	Group		Company	
		2023	2022	2023	2022
		N'000	N'000	N'000	N'000
Transcorp Power Limited (now Transcorp Power Plc)	subsidiary	-	-	32,651,912	7,714,200
Heirs Energies and related companies	Joint control	6,933,816	2,303,998	-	-
		6,933,816	2,303,998	32,651,912	7,714,200
Amount due from related parties					
Afam Power Plc	subsidiary	-	-	3,776,612	2,610,742
Transcorp Power Limited (now Transcorp Power Plc)	subsidiary	-	-	19,133,195	-
Teragro Commodities Limited	subsidiary	-	-	-	-
Transcorp OPL 281 Limited	subsidiary	-	-	12,264,709	10,976,222
Transcorp Hotels Plc	subsidiary	-	-	4,450,237	4,686,061
Transcorp Hotels Calabar Limited	subsidiary	-	-	56,756	44,999
TransAfam Power Ltd	subsidiary	-	-	18,385,000	18,385,000
Transcorp Energy Limited	subsidiary	-	-	193,487	193,487
		-	-	58,259,996	36,896,511

Terms and conditions of transactions with related parties

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 2023, the Company recognised N1.2bn (2022:N1.1bn) as provision for expected credit losses relating to amounts owed by related parties.

Group

During the year, Heirs Energies Limited (HEL) (formerly Heirs Oil and Gas) supplied gas to Afam Power Plc amounting to N5.3 billion (2022: N1.08 billion), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by HEL and related companies to Transnational Group amounting to N3.9 billion (2022: N2.2 billion) during the year, are included in administrative expenses.

Related party borrowings

Included in the amount due from Transcorp OPL 281 Limited is N8.4b loan at 13%. Included in the balance due from TransAfam Power Limited is sum of N250m loan at 13% and N520m at 15.5%.

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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

Subsequent to year end, Transcorp Power Limited change of name to Transcorp Power Plc was completed on 10 January 2024 with the approval of Corporate Affairs Commission (CAC). Consequently, the Company shares was listed on the Nigerian Exchange limited (NGX Exchange) on 4th March 2024.

Furthermore, the Transcorp Hotel Plc. obtained from the Federal Competition & Consumer Protection Commission (FCCPC) the requisite approval for the divestment of Transcorp Hotels Plc's 100% shares in Transcorp Hotels Calabar Limited. Similarly, the Securities and Exchange Commission(SEC) noted the proposed divestment, in line with the voluntary notification to the Commission. Apart from these, 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 2023.

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:



Stanley Chikwendu
FRC/2012/PRO/NBA/002/00000000590
Group Company Secretary
12 March, 2024.

**TRANSNATIONAL CORPORATION PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CORPORATE GOVERNANCE REPORT

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

1 Overview

During the year ended 31 December 2023, Transcorp complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria (FRCN) and the Securities & Exchange Commission (SEC) and all laws regulating corporate governance. The Company further entrenched best practices in corporate governance by formulating new policies that will enhance performance, making the business more sustainable and upholding the Company's brand equity. The Policies updated and/or approved by the Board in 2023 were:

- 1 Revised Board Charter
- 2 Board Succession Planning Policy
- 3 Stakeholders Management and Communication Policy
- 4 Non – Audit Service Policy
- 5 Board Induction Policy
- 6 Business Continuity and Disaster Recovery Policy
- 7 Procurement Policy
- 8 Delegation of Authority Empowerment Grid
- 9 Information Technology Policies and Procedures Manual
- 10 Corporate Social Responsibility Framework

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

•Group Policy Governance Framework

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

•Board Governance and Board Committees Governance Charter;

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

•Executive Management Charter

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

•Subsidiary Governance Charter

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

Code of Conduct and Ethics

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

Sustainability Policy

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

2. Board of Directors

2.1 General

The Board of Directors consists of nine (9) members made up of one (1) Executive Director (the Preseident/GCEO) and eight (8) Non-Executive Directors, four (4) of whom are Independent Directors. In accordance with the provisions of the Companies and Allied Matters Act 2020 (CAMA) and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over the Board proceedings. The Board meets at least four times in a year and the year 2023 was no exception. The details of Directors' attendance at Board meetings are disclosed on page 5 of the Annual Report. The Board establishes formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the day-to-day operations of the Company. The delegation of authority conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to Management. Any responsibility not delegated remains with the Board and its Committees. The Company has continued to benefit tremendously from the wealth of experience of its Directors, all successful individuals who have distinguished themselves in their chosen fields.

TRANSNATIONAL CORPORATION PLC
REPORT OF THE DIRECTORS
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CORPORATE GOVERNANCE REPORT - continued

Board Appointment

Directors are appointed on the recommendation of the Board Audit and Governance Committee in accordance with the Board and Board Committees Governance Charter. In selecting Directors, the Company seeks individuals who have cognate experience, good image and reputation, high integrity, shareholder orientation, no conflict of interest, knowledge of the Company's strategic businesses and a genuine interest in the company.

Induction and Training processes

The Company has in place a formal Director Induction Plan & Procedure. Newly appointed Directors undergo this induction programme to become knowledgeable about the business, its governance structure; its key officers; its subsidiaries' businesses, facilities, and operational procedures. They are also trained along with other Board members Group-wide.

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

There were no changes in the composition of the Board of the Company during the year under review. The Board of Directors of the Company comprised the following in the year 2023:

Director	Position	Date appointed to the Board	Date(s) re-appointed/re-elected	Date of resignation/retirement
1. Mr. Tony Elumelu, CFR	Chairman	14 April, 2011	29, 2016, March 15, 2019, April 21, 2022	NA
2. Dr. (Mrs) Foluke K. Abdulrazaq, OON	Vice Chairman	5 June, 2020	April 21, 2022	NA
3. Dr. (Mrs). Owen Omogiafo, OON	President/CEO	25 March, 2020	NA	NA
4. Mr. Emmanuel N. Nnorom	Non-executive Director	16 December 2013	April 26, 2021, April 26, 2023	NA
5. Dr. Stanley Lawson	Non-executive Director	19 September, 2011	June 21, 2013, May 8, 2015, April 30, 2018, April 21, 2022	NA
6. Dr. (Mrs.) Toyin Sanni	Non-executive Director	30 October, 2018	April 26, 2021, April 26, 2023	NA
7. Mr. Victor Famuyibo	Independent Non -Executive Director	22 April, 2021	April 26, 2023	NA
8. Mallam Ahmadu Sambo	Independent Non -Executive Director	22 April, 2021	NA	NA
9. Mr. Oliver Andrews	Independent Non -Executive Director	23 August, 2021	NA	NA

2.3 Board Meeting Attendance

During the year under review, the Board met five (5) times. The table below shows the frequency of meetings of the Board and members attendance

Director	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. Tony O. Elumelu, CFR	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December 20 2023
Dr. (Mrs) Foluke K. Abdulrazaq, OON	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December 20 2023
Dr. (Mrs). Owen Omogiafo, OON	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December 20 2023

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CORPORATE GOVERNANCE REPORT - continued

2.3 Board Meeting

Director	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. Emmanuel Nnorom	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December 20 2023
Dr. Stanley Lawson	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December
Dr. (Mrs) Toyin Sanni	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December
Mr. Victor Famuyibo	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December 20 2023
Mallam Ahmadu Sambo	5	5	February 24 2023, May 10 2023, August 15 2023, November 29 2023, December 20 2023
Mr. Oliver Andrew	5	4	February 24 2023, May 10 2023, August 15 2023, November 29 2023

2.4 Board Committees & Executive Management Committee

(a) Board Audit & Governance Committee

The functions of the Board Audit & Governance Committee (BAGC) include the following:

- Establish procedures for the nomination of Directors.
- Advise and recommend to the Board the composition of the Board.
- Approve recruitments, promotions, redeployments, and disengagements for the Company/Group heads of departments that make up the Executive Management Committee
- Recommend to the Board compensation for all staff of the Company
- Review and evaluate the skills of members of the Board.
- Advise the Board on corporate governance standards and policies.
- Review and approve all human resources and governance policies for the Group.
- Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.
- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- Any other function assigned to it by the Board including Audit and Regulatory Compliance.

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

1. Dr. Stanley I. Lawson - Chairman
2. Mr. Emmanuel N. Nnorom - Member
3. Mr. Victor Famuyibo - Member

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

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CORPORATE GOVERNANCE REPORT - continued

2.4 Board Committees & Executive Management Committee-cont'd

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

Directors	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Dr. Stanley I. Lawson	4	4	February 20 2023, May 4 2023, July 21 2023, October 18 2023.
Mr. Emmanuel N. Nnorom	4	4	February 20 2023, May 4 2023, July 21 2023, October 18 2023.
Mr. Victor Famuyibo	4	4	February 20 2023, May 4 2023, July 21 2023, October 18 2023.

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

(b) Finance and Investment Committee

The functions of the Finance and Investment Committee (FIC) include the following:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting.
- Provide oversight on financial matters and the performance of the Group.
- Review and recommend investment opportunities or initiatives to the Board for decision.
- Recommend financial and investment decisions within its approved limits.
- Assist the Board in fulfilling its oversight responsibilities with regard to audit and control.
- Ensure that an effective system of financial and internal control is in place.
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Group.
- Monitor and evaluate on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.

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

The Committee comprises:

1.	Mr. Emmanuel N. Nnorom	-	Chairman
2.	Dr. (Mrs) Owen Omogiafo, OON	-	Member
3.	Mr. Oliver Andrew	-	Member
4.	Dr. (Mrs) Toyin Sanni	-	Member
5.	Mallam Ahmadu Sambo	-	Member

**TRANSNATIONAL CORPORATION PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CORPORATE GOVERNANCE REPORT - continued

2.4 Board Committees & Executive Management Committee-cont'd

During the year under review, the FIC met five (5) times. The table below shows the frequency of meetings of FIC and members' attendance:

Directors	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. Emmanuel N. Nnorom	5	5	February 20 2023, April 17, May 4 2023, July 21 2023, October 18 2023.
Dr. (Mrs) Owen Omogiafo, OON	5	5	February 20 2023, April 17, May 4 2023, July 21 2023, October 18 2023.
Mr. Oliver Andrew	5	5	February 20 2023, April 17, May 4 2023, July 21 2023, October 18 2023.
Dr. (Mrs) Toyin Sanni	5	5	February 20 2023, April 17, May 4 2023, July 21 2023, October 18 2023.
Mallam Ahmadu Sambo	5	5	February 20 2023, April 17, May 4 2023, July 21 2023, October 18 2023.

Each FIC meeting was attended by the Group CFO who presented the Financial and Risk Management Reports. The Internal Auditor was also attendance during presentation of risk report.

(c) The Statutory Audit Committee

The Statutory Audit Committee (SAC) is broadly empowered to, amongst other things; review the Group's financial reporting process, its system of audit, internal control, and management of financial risk with a view to ensuring compliance with statutory, regulatory and professional requirements. The Committee, which also reviews the performance of external auditors to the Company, is chaired by a shareholder and has two other shareholders and two directors as members. In addition to the powers conferred on it by CAMA, the Committee is empowered to engage the services of independent consultants in the discharge of its duties. The Committee comprises:

1. Mr. John Isesele - Chairman (Shareholder representative)
2. Mr. Mathew Esonanor - Member (Shareholder representative)
3. Ms. Judith Rapu - Member (Shareholder representative)
4. Dr. Stanley I. Lawson - Member (Director representative)
5. Mr. Victor Famuyibo - Member (Director representative)

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

Members	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. John Isesele	4	4	February 24 2023, May 11 2023, August 15 2023, November 29 2023
Mr. Matthew Esonanor	4	4	February 24 2023, May 11 2023, August 15 2023, November 29 2023
Ms. Judith Rapu	4	4	February 24 2023, May 11 2023, August 15 2023, November 29 2023
Dr. Stanley Lawson	4	4	February 24 2023, May 11 2023, August 15 2023, November 29 2023
Mr. Victor Famuyibo	4	4	February 24 2023, May 11 2023, August 15 2023, November 29 2023

**TRANSNATIONAL CORPORATION PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CORPORATE GOVERNANCE REPORT - continued

(d) Executive Management Committee

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

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

The Executive Management Committee comprises:

1. President/Group CEO
2. Group Chief Financial Officer
3. Group Company Secretary
4. Head, Human Resources
5. Head, Internal Audit & Compliance
6. Head, Marketing and Corporate Communications
7. CEOs of Subsidiaries

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

Directors' Remuneration Policy

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

Non-Executive Directors

Annual Fees & Allowances

Non-executive Directors earn N5,300,000 as Directors' fees annually while the Chairman earns N8,000,000. Other remuneration components are payable quarterly, once or half-yearly.

Board Meetings

Non- Executive Directors earn N350,000 sitting allowances per meeting while the Chairman earns N500,000. Transportation costs and hotel expenses are reimbursed where applicable.

Committee Meetings

Non- Executive Directors earn N300,000 sitting allowances per meeting, while the Chairman earns N350,000. Transportation costs and hotel expenses are reimbursed where applicable

Executive Directors

The remuneration policy for executive directors includes the following:

- *Fixed remuneration:* taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent posts of equivalent status within the industry both within and outside Nigeria
- *Variable annual remuneration: linked to performance. The amount of this remuneration is subject to achieving specific, quantifiable and measurable KPIs set and appraised annually by the Board.*

**TRANSNATIONAL CORPORATION PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023
CORPORATE GOVERNANCE REPORT - continued**

Summary Report of the Annual Corporate Governance Evaluation

The firm of Angela Aneke & Co. Limited performed the evaluation of the Board for the year ended December 31, 2023 in line with the requirements of the Financial Reporting Council ("FRC") Code of Corporate Governance (the "Code").

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

Human Resource Policies and internal management structure

The Human Resource policy provides for benefits available to eligible employee in the Company. The Company has put in place internal control system to ensure that the company's practices comply with regulations.

Gender diversity on the Board and employment

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

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

The Company was involved in Environment, Social and Governance activities that makes the company address environmental or social issues which impacts the stakeholders.

AUDITORS

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

**TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

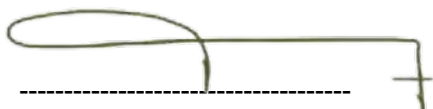
The Directors of Transnational Corporation Plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as at 31 December 2023, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act of Nigeria 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

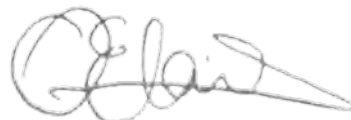
- a) properly selecting and applying accounting policies
- b) presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- c) providing additional disclosures when compliance with the specific requirements in IFRS are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

Going Concern

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



Mr. Tony O. Elumelu, CFR
Chairman, Board of Directors
FRC/2013/PRO/DIR/003/00000002590



Dr. (Mrs) Owen Omogiafo, OON
President/GCEO
FRC/2019/PRO/DIR/003/00000001

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Certification of Financial Statements

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

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

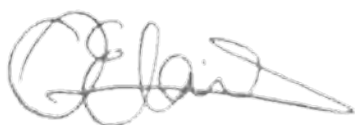
We state that Management and Directors:

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

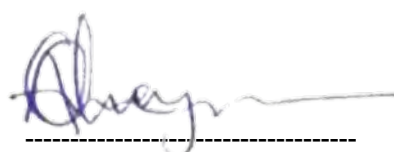
We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group ability to record, process, summarise and report financial data, and has identified for the Group's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's internal control; and
- (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 2023 were approved by the Directors on 12 March 2024.



Dr. (Mrs) Owen Omogiafo, OON
President/GCEO
FRC/2019/PRO/DIR/003/00000019827



Mr. Oluwamayowa Awe
Ag. Chief Finance Officer
FRC/2012/PRO/ICAN/001/00000000151

TRANSNATIONAL CORPORATION PLC
REPORT OF THE AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023 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 2023 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/2014/PRO/ICAN/004/00000008988

Dated this 12th day of March 2024

Members of the Statutory Audit Committee

1. Mr. John Isesele	-	Chairman	(Representative of shareholders)
2. Mr. Matthew Esonanor	-	Member	(Representative of shareholders)
3. Ms. Judith Rapu Member	-	Member	(Representative of shareholders)
4. Dr. Stanley Lawson Member	-	Member	(Non-Executive Director)
5. Mr. Victor Famuyibo Member	-	Member	(Independent Non-Executive Director)

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 24 to 108, which comprise the consolidated and separate statements of financial position as at 31 December 2023, 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 material accounting policy information.

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 2023, and its consolidated and separate financial performance and consolidated and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria (Amendment) Act 2023.

Basis for Opinion

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



Key Audit Matter	How the matter was addressed in the audit
<p>Assessment of goodwill impairment - Consolidated</p> <p>The Group has a material balance of N28.96 billion as goodwill, which principally relate to the acquisition of Transcorp Power Limited (TPL), consolidation of Transcorp Hotel Plc (THP) and Transcorp Hotels Calabar Limited (THCL) in THP Financial statements. The asset is not amortised but tested for impairment annually.</p> <p>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.</p> <p>In line with the provision of IAS 36 – impairment of assets, goodwill should be tested for impairment annually. The Group tested impairment for the three sets of Goodwill and impairment loss was recorded against the Goodwill from THCL resulting from the decision of Transcorp Hotels Plc Board of Directors to divest the 100% equity interest held in Transcorp Hotels Calabar Limited. Subsequently, it was transferred to assets classified as held for sale in the current year.</p> <p>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 amounts.</p> <p>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.</p> <p>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.</p> <p>Accordingly, the impairment test of goodwill is considered a key audit matter due to the impact of the above assumptions.</p> <p>The disclosure of goodwill is set out in Note 23 of the consolidated and separate financial statements.</p>	<p>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:</p> <ul style="list-style-type: none"> • We considered the determination of Transcorp Hotels Plc, Transcorp Power Limited and Transcorp Calabar as identifiable cash-generating units. • Evaluated the appropriateness of the approaches - fair value and value in use methods - used by management in determining the recoverable amounts of the cash generating units. • Evaluated the reasonableness of the methods and assumptions the management expert used to estimate the fair value of the Assets of the cash generating units. • Reviewed the contract with the potential buyer to determine the Fair value of Transcorp Hotels Calabar Limited, which is the contract price stated in the purchase/sales agreements. • 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. • Performed sensitivity analysis to assess the impact of any change on the assumptions and inputs. <p>Based on the procedures performed, we believe the goodwill impairment assessment by the Group is reasonable and the balance is not impaired.</p>

Other Information

The directors are responsible for the other information. The other information comprises the ESG & Sustainability Report, the Corporate Governance Report, the Directors' Report, the Statement by the Board on the Company's ESG Activities, Statement of Directors Responsibilities, Certification of the Financial Statements, Report of the Statutory Audit Committee, the Board Evaluation Report, the Corporate Governance Evaluation Report, Consolidated and Separate Value-Added Statement and Consolidated and Separate Five-Year Financial Summary which we obtained prior to the date of this report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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. Also, we:

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

- 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.

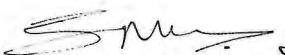
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken 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 year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth Schedule of Companies and Allied Matters Act 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/PRO/ICAN/004/00000001348

For: Deloitte & Touche

Chartered Accountants

Lagos, Nigeria

2 April 2024



TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	Group		Company	
		2023 N'000	2022 N'000	2023 N'000	2022 N'000
Revenue	9	196,989,632	133,718,490	12,293,063	10,318,046
Cost of sales	10	(87,845,762)	(67,949,865)	-	-
Gross profit		109,143,870	65,768,625	12,293,063	10,318,046
Other gains or losses	11	2,886,441	3,440,479	5,389,475	4,380,673
Impairment loss on financial assets	16	(2,634,673)	(677,277)	(118,535)	(5,160)
Impairment loss on goodwill	27	(1,011,644)	-	-	-
Administrative expenses	15	(26,942,911)	(21,976,416)	(2,264,585)	(2,498,979)
Operating profit		81,441,083	46,555,411	15,299,418	12,194,580
Net foreign exchange gain	11.1	945,040	251,824	13,575	1,233
Finance income	12	1,424,671	117,166	1,277,061	968,491
Finance cost	13	(25,004,789)	(16,541,050)	(6,897,856)	(4,724,559)
Profit before tax		58,806,005	30,383,351	9,692,198	8,439,745
Income tax	17	(26,169,757)	(13,299,040)	(1,640,808)	(1,223,768)
Profit for the year from continuing operations		32,636,248	17,084,311	8,051,390	7,215,977
Discontinued Operations					
Loss for the year from discontinued operations	27.2	(160,854)	(244,588)	-	-
Profit for the year		32,475,394	16,839,723	8,051,390	7,215,977
Other comprehensive (loss)/income:					
Items that will not be reclassified to profit or loss					
Gain/(loss) on valuation of investments in equity instruments	25	8,712,952	(215,656)	8,712,952	(215,656)
Net Loss from changes in actuarial assumptions	39	(56,492)			
Tax credit on actuarial losses		18,642			
Items that will be reclassified to profit or loss		-	-	-	-
Other comprehensive income/(loss) for the year		8,675,102	(215,656)	8,712,952	(215,656)
Total comprehensive income for the year		41,150,496	16,624,067	16,764,342	7,000,321
Profit attributable to:					
Owners of the parent		16,377,832	7,787,835	8,051,390	7,215,977
Non-controlling interest	41	16,097,562	9,051,888	-	-
		32,475,394	16,839,723	8,051,390	7,215,977
Total comprehensive income attributable to:					
Owners of the parent		25,061,957	7,572,179	16,764,342	7,000,321
Non-controlling interest	41	16,088,539	9,051,888	-	-
		41,150,496	16,624,067	16,764,342	7,000,321
Earnings per share					
Per share information					
Basic earnings per share	19	40	19	20	18
Diluted earnings per share	19	40	19	20	18

The notes on pages 30 to 112 form an integral part of the consolidated and separate financial statements.

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note(s)	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Assets					
Non-Current Assets					
Property, plant and equipment	20	294,520,208	288,442,355	58,355	69,457
Right-of-use assets	21	175,006	231,765	175,006	231,765
Investment properties	22	4,600,000	3,740,000	4,600,000	3,740,000
Goodwill	23	28,959,387	30,934,143	-	-
Other intangible assets	24	11,445,973	10,384,186	5,075,818	5,075,818
Investments in subsidiaries	6	-	-	52,539,631	44,669,388
Investment in financial asset	25	14,156,499	5,278,575	12,385,257	3,672,305
Other Investments	40	1,800,450	1,800,450	400,100	400,100
Prepayments and other assets	30	22,154	21,572	22,154	21,572
		355,679,677	340,833,046	75,256,321	57,880,405
Current Assets					
Inventories	28	3,984,305	5,419,123	-	-
Trade and other receivables	29	146,398,317	82,641,126	58,215,724	37,230,650
Prepayments and other assets	30	4,384,795	4,431,381	29,506	26,366
Cash and bank balances	31	16,577,762	9,378,246	997,910	740,907
		171,345,179	101,869,876	59,243,140	37,997,923
Asset classified as held for sale	27	2,898,863	-	-	-
		174,244,042	101,869,876	59,243,140	37,997,923
Total Assets		529,923,719	442,702,922	134,499,461	95,878,328
Equity and Liabilities					
Equity					
Share capital	32	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	33	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves		34,920,455	26,236,330	10,303,365	1,590,413
Retained earnings		68,922,551	54,577,014	25,746,588	19,727,493
Equity attributable to holders of parent		130,416,873	107,387,211	62,623,820	47,891,773
Non-controlling interest	41	56,880,827	47,386,526	-	-
Total Equity		187,297,700	154,773,737	62,623,820	47,891,773
Liabilities					
Non-Current Liabilities					
Borrowings	26	52,054,530	58,039,133	8,711,590	11,958,773
Deposit for shares	38	12,935,000	12,935,000	-	-
Defined Benefit Liability	39	211,836	161,705	-	-
Contract Liabilities	35	1,986,730	2,139,555	-	-
Deferred income	34	1,100,082	1,544,322	-	-
Deferred tax liabilities	18	18,770,156	12,962,286	-	-
		87,058,334	87,782,001	8,711,590	11,958,773

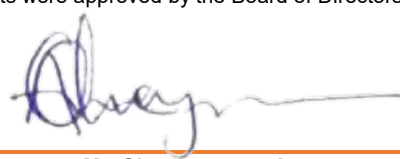
TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2023

Current Liabilities					
Trade and other payables	36	180,709,999	145,998,276	36,606,181	9,958,252
Borrowings	26	51,324,795	46,606,260	25,922,020	25,649,776
Contract Liabilities	35	296,375	258,284	-	-
Deferred income	34	457,500	447,756	13,500	-
Defined Benefit Liability	39	32,231	33,008	-	-
Income tax payable	17.1	22,347,922	6,803,600	622,350	419,754
		255,168,822	200,147,184	63,164,051	36,027,782
Liabilities directly associated with assets classified as held for sale	27	398,863	-	-	-
Total Liabilities		342,626,019	287,929,185	71,875,641	47,986,555
Total Equity and Liabilities		529,923,719	442,702,922	134,499,461	95,878,328

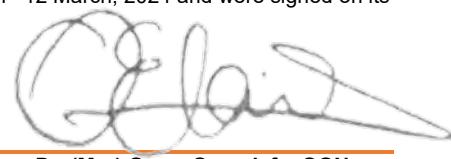
The consolidated and separate financial statements were approved by the Board of Directors on 12 March, 2024 and were signed on its behalf by:



Mr. Tony O. Elumelu, CFR
Chairman, Board of Directors
FRC/2013/PRO/DIR/003/00000002590



Mr. Oluwamayowa Awe
Ag. Chief Finance Officer
FRC/2012/PRO/ICAN/001/00000000151



Dr. (Mrs) Owen Omogiafo, OON
President
FRC/2019/PRO/DIR/003/00000019827

The notes on pages 30 to 112 form an integral part of the consolidated and separate financial statements.

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parents N'000	Non- controlling interest N'000	Total equity N'000
Group							
Balance 1 January 2022	20,323,996	6,249,871	26,451,986	47,602,138	100,627,991	45,664,290	146,292,281
Profit for the year	-	-	-	7,787,836	7,787,836	9,051,888	16,839,724
Other comprehensive (loss)/income*	-	-	(215,656)	-	(215,656)	-	(215,656)
Total comprehensive (loss)/income for the year	-	-	(215,656)	7,787,836	7,572,180	9,051,888	16,624,068
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
Balance at 1 January, 2023	20,323,996	6,249,871	26,236,330	54,577,014	107,387,211	47,386,526	154,773,737
Profit for the year	-	-	-	16,377,832	16,377,832	16,097,562	32,475,394
Other comprehensive income*	-	-	8,684,125	-	8,684,125	(9,023)	8,675,102
Total comprehensive income/(loss) for the year	-	-	8,684,125	16,377,832	25,061,957	16,088,539	41,150,496
Dividends (Note 36.1)	-	-	-	(2,032,295)	(2,032,295)	(11,851,173)	(13,883,468)
Scrip dividend	-	-	-	-	-	5,256,935	5,256,935
Total distributions to owners of company recognised directly in equity	-	-	-	(2,032,295)	(2,032,295)	(6,594,238)	(8,626,533)
Balance at 31 December, 2023	20,323,996	6,249,871	34,920,455	68,922,551	130,416,873	56,880,827	187,297,700
Note(s)	32	33				41	

*Other comprehensive income represents fair value gain/ (loss) on equity investment and actuary gain/(loss) on define benefit during the year.

The notes on pages 30 to 112 form an integral part of the consolidated and separate financial statements.

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parents N'000	Non- controlling interest N'000	Total equity N'000
Company							
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 (loss)/income	-	-	(215,656)	-	(215,656)	-	(215,656)
Total comprehensive income for the year	20,323,996	6,249,871	1,590,413	20,540,453	48,704,733	-	48,704,733
Dividends (Note 36.1)	-	-	-	(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
Balance at 1 January, 2023	20,323,996	6,249,871	1,590,413	19,727,493	47,891,773	-	47,891,773
Profit for the year	-	-	-	8,051,390	8,051,390	-	8,051,390
Other comprehensive income	-	-	8,712,952	-	8,712,952	-	8,712,952
Total comprehensive income for the year	-	-	8,712,952	8,051,390	16,764,342	-	16,764,342
Dividends (Note 36.1)	-	-	-	(2,032,295)	(2,032,295)	-	(2,032,295)
Total distributions to owners of company recognised directly in equity	-	-	-	(2,032,295)	(2,032,295)	-	(2,032,295)
Balance at 31 December, 2023	20,323,996	6,249,871	10,303,365	25,746,588	62,623,820	-	62,623,820
Note(s)	32	33					

The notes on pages 30 to 112 form an integral part of the consolidated and separate financial statements.

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note(s)	Group		Company	
		2023	2022	2023	2022
		N '000	N '000	N '000	N '000
Cash flows from operating activities					
Profit Before Taxation		58,806,005	30,383,351	9,692,198	8,439,745
Adjustments for:					
Depreciation of property, plant and equipment	20	8,455,179	6,854,844	20,536	14,364
Amortisation of intangible assets	15	41,667	41,095	-	-
Depreciation of right of use asset	21	56,759	56,759	56,759	56,759
PPE written off	20	-	-	-	5,625
Loss/ (Profit) on disposal of property, plant and equipment	11	(18,128)	507	-	(2,688)
Adjusted loss from discontinued operations		(38,492)	(2,877)	-	-
Dividend income on equity securities	11	(673,674)	(482,532)	(673,674)	(482,532)
Net unrealised foreign exchange gain	11.1	(945,040)	(250,591)	-	-
Finance income	12	(1,424,671)	(117,166)	(1,277,061)	(968,491)
Finance cost on loan and borrowings	13	25,004,789	16,538,173	5,732,187	4,721,682
Interest cost on lease rental	13	-	2,877	-	2,877
Adjustment for tax on franked income	17	(65,196)	(48,220)	(1,294,502)	(1,080,058)
Impairment loss on financial assets	16	2,634,673	672,977	118,535	5,160
Impairment loss on goodwill	27	1,011,644	-	-	-
Increase in fair value of investment properties	22	(860,000)	(1,546,000)	(860,000)	(1,546,000)
Changes in working capital:					
Decrease/(Increase) in Inventories		1,434,818	(955,443)	-	-
Increase in Trade and Other Receivables	29.7	(66,772,619)	(15,332,650)	(27,696,791)	(1,021,222)
Decrease/(Increase) in Prepayments		46,004	(2,831,942)	(3,722)	24,386
Decrease in assets classified as held for sale		(203,735)	-	-	-
Increase in Trade and Other Payables		34,372,371	7,806,303	26,637,523	44,771
Decrease in Contract Liabilities		(114,734)	(88,351)	-	-
Increase in liabilities associated with assets classified as held for sale		388,435	-	-	-
Increase in Defined Benefits		49,354	194,713	-	-
(Decrease)/increase in Deferred Income		(434,496)	(464,459)	13,500	-
Cash generated from operations		60,750,913	40,431,368	10,465,488	8,214,378
Income tax paid	17	(4,733,727)	(3,200,195)	(143,710)	(12,043)
Net cash generated by operating activities		56,017,186	37,231,173	10,321,778	8,202,335
Cash flows from investing activities					
Investment in subsidiaries	6.1	-	-	-	(2,273,625)
Purchase of property, plant and equipment	20	(15,934,747)	(17,604,276)	(9,434)	(39,219)
Proceeds from sale of property, plant and equipment		22,905	12,235	-	3,612
Purchase of other investments	40	-	(1,800,450)	-	(400,100)
Purchase of other intangible assets	24	(1,122,233)	(160,201)	-	-
Interest received	12	1,259,699	34,123	-	-
Dividend income on equity securities	11	673,674	482,532	673,674	482,532
Net cash used in investing activities		(15,100,702)	(19,036,037)	664,240	(2,226,800)
Cash flows from financing activities					
Proceeds from borrowings	26	14,949,597	33,106,606	-	-
Repayment of borrowings	26	(35,260,691)	(42,669,115)	(6,063,140)	(1,864,056)
Decrease in lease liabilities	37	-	(300,000)	-	(300,000)
Dividends paid	36.1	(8,391,150)	(5,027,887)	(2,032,295)	(812,960)
Interest paid	26	(6,103,309)	(8,847,322)	(3,048,926)	(2,942,672)
Net cash used in financing activities		(34,805,553)	(23,737,718)	(11,144,361)	(5,919,688)
Net increase/(decrease) in cash and cash equivalents		6,110,931	(5,542,581)	(158,343)	55,846
Cash and cash equivalent at the beginning of the year	31	5,480,136	10,764,846	(1,136,476)	(1,192,322)
Effect of foreign exchange rate changes		945,040	257,871	-	-
Cash and cash equivalent at end of the year	31	12,536,107	5,480,136	(1,294,819)	(1,136,476)

The notes on pages 30 to 112 form an integral part of the consolidated and separate financial statements.

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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, 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 12 March, 2024. 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 on the Main Board of the Nigerian Exchange Limited (NGX). The registered office is located at 38 Glover Road, Ikoyi, Lagos, Nigeria.

The Major Shareholder is HH Capital Limited with 11,986,909,845 shares being 29.49% shareholding.

The Group is principally engaged in the power, oil & gas and hospitality industries. 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. Material Accounting Policies

2.1 Basis of preparation

The Consolidated and Separate financial statements of the Group have been prepared in compliance with the Company and Allied Matters Act 2020 and in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and Financial Reporting Council of Nigeria (Amendment) Act, 2023 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. In line with IFRS 5, the comparative income statements and cashflow statements have been re-presented to show the recognition of discontinued operations.

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, 2023. 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

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies

2.3 Basis of consolidation - Continued

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. 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 at 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.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies

2.4 Business combinations and goodwill - Continued

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree

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.

2. Material Accounting Policies

2.5 Current versus non-current classification

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 respectively.

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 reporting 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.

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies

2.6 Fair value measurement - Continued

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, 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.

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Material Accounting Policies

2.7 Revenue from contracts with customers - Continued

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 depicts 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 beverages at a point in time when control of the food and beverage is transferred to the customer.

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2. Material Accounting Policies

2.7 Revenue from contracts with customers-Continued

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 (i.e., transfers control of the related goods or services to the customer).

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.

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2. Material Accounting Policies

2.8 Taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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2.8 Taxes - Continued

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).

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2. Material Accounting Policies

2.9 Foreign currencies - Continued

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.

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

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

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

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. Material Accounting Policies

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.

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2. Material 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.

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2. Material Accounting Policies

2.12 Leases - Continued

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.

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2.15 Intangible assets

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

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

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

Derecognition of Intangible Assets

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

Goodwill with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the Cash-Generating Unit (CGU) 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.

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2. Material Accounting Policies

2.15 Intangible assets - Continued

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.

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2. Material Accounting Policies

2.15 Intangible assets - Continued

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

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

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

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

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

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2. Material Accounting Policies

2.16 Financial instruments – initial recognition and subsequent measurement - Continued

Purchases 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

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, receivables from other related parties and debt instruments.

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.

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2. Material Accounting Policies

2.16 Financial instruments – initial recognition and subsequent measurement - Continued

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 and Other 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.

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2. Material Accounting Policies

2.16 Financial instruments – initial recognition and subsequent measurement - Continued

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 as 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.

TRANSNATIONAL CORPORATION PLC
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2. Material Accounting Policies

2.16 Financial instruments – initial recognition and subsequent measurement - Continued

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 for example, costs to be incurred in marketing, selling and distribution.

2.18 Impairment of non-financial assets

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

- Disclosures for significant assumptions - Note 3
- Property, plant and equipment - Note 20
- Intangible assets - Note 24
- Goodwill - Note 23

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

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

TRANSNATIONAL CORPORATION PLC
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2. Material Accounting Policies

2.18 Impairment of non-financial assets - Continued

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 cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

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.

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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2. Material Accounting Policies

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% the staff annual earnings 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 39);
- 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.

TRANSNATIONAL CORPORATION PLC
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2. Material Accounting Policies

2.22 Deferred income

The Group enters into transactions where the fair value of the financial instruments is determined using valuation models for which certain inputs are not based on market-observable prices or rates. Such financial instruments are initially recognised at fair value. The transaction price may differ from the valuation amount obtained, giving rise to a day one gain or loss.

The difference between the transaction price and the valuation amount commonly referred to as 'day one gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised. The Group's day one gains are attributable to loans and advances from Bank of Industry (See note 34)

For the Company, deferred income relates to rental income received on the investment property. Income is recognised in equal amounts over the expected period.

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.

2.24 Non-current assets held for sale

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss. Additional disclosures are provided in Note 27. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
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3. Significant Accounting Judgements, Estimates and Assumptions

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

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:

TRANSNATIONAL CORPORATION PLC
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3. Significant Accounting Judgements, Estimates and Assumptions

3.1 Judgements - Continued

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 Honors- customer loyalty program

The Group participates in the Hilton Honors 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.

3 Significant Accounting Judgements, Estimates and Assumptions

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 on 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, 2023 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.

3. Significant Accounting Judgements, Estimates and Assumptions

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 Discounted Cash Flow (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.

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3. Significant Accounting Judgements, Estimates and Assumptions

3.2 Estimates and assumptions - Continued

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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Definition of Accounting Estimates - Amendments to IAS 8

The Group has adopted the amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 Making

Materiality Judgements

The Group has adopted the amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The Group has adopted the amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:

- a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist, and
- b) Quantitative information such as:
 - An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or
 - An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes. The requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023. The amendments had no impact on the Group's consolidated financial statements.

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

New and amended standards and interpretations that are issued but not yet effective will not have a material impact on the Group's consolidated financial statements. 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) Amendment to IFRS 16 – Lease Liability in a Sale and Leaseback
- 2) Amendment to IAS 1 – Non-current liabilities with covenants
- 3) Amendment to IAS 7 and IFRS 7 - Supplier finance arrangements
- 4) Amendments to IAS 21 - Lack of Exchangeability
- 5) Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- 6) Amendments to IAS 1 Classification of Liabilities as Current or Non-current

IFRS 16 – Leases on sale and leaseback

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability, that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments to IFRS 16 are effective for annual periods beginning on or after 1 January 2024. It is unlikely that the amendment will have impact on the Group's consolidated and separate financial statements.

Amendment to IAS 1 – Non-current liabilities with covenants

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early.

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

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

Amendment to IAS 7 and IFRS 7 - Supplier finance arrangements

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information.

To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements
- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement
- Liquidity risk information

The new amendment is effective for annual reporting periods beginning on or after 1 January 2024 (with transitional reliefs in the first year). The amendments to the standards is unlikely to have a significant impact on

Amendments to IAS 21 - Lack of Exchangeability

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments include accompanying new disclosures to help investors to understand the effects, risks and estimated rates and techniques used when a currency is not exchangeable.

The new requirements will be effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments to the standards is unlikely to have a significant impact on the Group's consolidated 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 amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The amendments to standards may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

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

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Non-current

The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

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

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

The amendments may have an impact on the Group's consolidated financial statements in future periods.

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5 Segment analysis

The Group

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker has been identified as the President/Group CEO for Transnational Corporation Plc and the Managing Director/CEO of respective Subsidiary Companies. The President/Group CEO 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/Group CEO 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/Group CEO 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 have identified five (5) operating segment which are listed below.

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

i Hospitality

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

ii Agro-allied

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

iii Power

This relates to a subsidiary, Transcorp Power Limited (now Transcorp Power Plc) and TransAfam Power Limited (with its subsidiaries, Afam Power Plc and Afam Three Fast Power Limited). The subsidiary is engaged in generation and sale 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.

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5 Segment analysis - continued

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.

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

As at 31 December 2023	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	41,455,877	-	-	155,533,755	12,293,063	(12,293,063)	196,989,632
Cost of Sales	(11,670,493)	-	-	(76,175,269)	-	-	(87,845,762)
Gross profit	29,785,384	-	-	79,358,486	12,293,063	(12,293,063)	109,143,870
Other operating income	674,390	-	-	601,649	5,389,475	(3,619,103)	3,046,411
Impairment gain/(loss) on financial assets	21,862	-	-	(3,097,096)	(118,535)	559,096	(2,634,673)
Impairment loss on goodwill	(1,011,644)	-	-	-	-	-	(1,011,644)
Administrative expenses	(17,257,256)	(132,918)	-	(11,067,478)	(2,264,585)	3,779,328	(26,942,910)
Net foreign exchange gain	931,465	-	-	-	-	13,575	945,040
Finance cost	(3,904,012)	-	-	(17,379,654)	(6,897,856)	3,176,733	(25,004,790)
Finance income	241,864	-	-	3,009,908	1,277,061	(3,264,133)	1,264,700
Profit/(loss) before taxation	9,482,053	(132,918)	-	51,425,814	9,678,623	(11,647,567)	58,806,005
Taxation	(3,228,087)	-	-	(22,530,171)	(1,640,808)	-	(27,399,065)
Profit/(loss) after taxation from continuing operations	6,253,966	(132,918)	-	28,895,643	8,037,815	(11,647,567)	31,406,940
Loss from discontinued operations	(160,854)	-	-	-	-	-	(160,854)
Profit/(loss) for the year	6,093,112	(132,918)	-	28,895,643	8,037,815	(11,647,567)	31,246,086
Total assets	126,094,916	10,542,434	16,753	367,048,833	134,499,461	(108,278,678)	529,923,719
Total liabilities	(43,920,454)	(12,786,279)	(19,945)	(273,644,711)	(71,875,641)	59,621,011	(342,626,019)
Net assets	82,174,462	(2,243,845)	(3,192)	93,404,122	62,623,820	(48,657,667)	187,297,700

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5 Segment analysis - continued

Capital expenditure: Additions during the year- 2023

	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
Additions to plant, property & equipment and Intangible assets							
Property, plant and equipment	4,035,200	-	-	15,312,166	9,434		19,356,800
Other intangible assets	35,300	1,086,933		-	-		1,122,233
Depreciation and amortisation							
Depreciation	2,455,432	-	-	5,979,211	20,536		8,455,179
Amortisation	35,776	-	-	5,891	-		41,667
As at 31 December 2022	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	30,439,219	-	-	103,279,271	10,318,046	(10,318,046)	133,718,490
Cost of Sales	(8,701,732)			(59,248,133)	-	-	(67,949,865)
Gross profit	21,737,487	-	-	44,031,138	10,318,046	(10,318,046)	65,768,625
Other operating income/(loss)	711,327	2,980	1,757,057	610,648	4,380,672	(4,022,204)	3,440,480
Impairment (loss)/gain on financial assets	(68,573)	-	-	(682,490)	(5,160)	78,946	(677,277)
Administrative expenses	(13,863,869)	(272,447)	(1,200)	(7,605,068)	(2,498,979)	2,265,147	(21,976,415)
Net foreign exchange gain	250,591				1,233		251,824
Finance cost	(4,141,497)	-	-	(8,619,457)	(4,724,559)	944,463	(16,541,050)
Finance income	8,557	-	-	1,343,132	968,491	(2,203,014)	117,166
Profit/(loss) before taxation	4,634,023	(269,467)	1,755,857	29,077,904	8,439,743	(13,254,707)	30,383,352
Taxation	(1,771,540)	-	-	(11,335,571)	(1,223,767)	1,031,839	(13,299,039)
Profit/(loss) after taxation from continuing operations	2,862,483	(269,467)	1,755,857	17,742,333	7,215,976	(12,222,868)	17,084,313
Loss from discontinued operations	(244,588)	-	-	-	-	-	(244,588)
Profit /(loss) for the year	2,617,895	(269,467)	1,755,857	17,742,333	7,215,976	(12,222,868)	16,839,725
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

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Revenue for the Corporate Centre in 2023 and 2022 relates to dividend income from Transcorp Power Plc and Transcorp Hotels Plc to the Company.

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

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5 Segment analysis-continued

Capital expenditure: Additions during the year 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
Additions to plant, property & equipment and Intangible assets							
Property, plant and equipment	6,585,550	-	-	10,979,508	39,219		17,604,277
Other intangible assets	32,653	-	-	127,548	-		160,201
Depreciation and amortisation							
Depreciation	2,589,419	-	-	4,362,057	14,364		6,965,840
Amortisation	32,402	-	-	9,328	-		41,730

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

Revenue	2023 N'000	2022 N'000
Total revenue for reportable segments	209,282,696	144,036,536
Elimination of inter-segment revenue (i)	(12,293,063)	(10,318,046)
External revenue	196,989,632	133,718,490
Profit or loss		
Profit for reportable segments	70,453,572	43,638,059
Elimination of inter-segment profits (ii)	(11,647,567)	(13,254,707)
Consolidated profit before taxation	58,806,005	30,383,352
Assets	31 December 2023	31 December 2022
Total assets of reportable segments	638,202,397	529,162,714
Consolidation eliminations (iii)	(108,278,678)	(86,459,792)
Consolidated total assets	529,923,719	442,702,922
Liabilities		
Total liabilities of reportable segments	402,247,030	(345,777,448)
Consolidation eliminations (iv)	(59,621,011)	57,848,265
Consolidated total liabilities	342,626,019	(287,929,183)

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5 Segment analysis-continued

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 Plc and Transcorp Hotel Plc to Transnational Corporation Plc.
- (ii) Elimination of inter-segment other operating income/(loss) relates to management and technical service fees income from Transcorp Power Plc, 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 account 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 Plc and TransAfam Power Limited accounts for the consolidation eliminations in total liabilities of the reportable segments.

Entity-wide information

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

Analysis of revenue by category:

	31 December 2023 N'000	31 December 2022 N'000
Rooms	26,702,271	19,151,138
Food and beverage	13,038,165	9,785,311
Shop rental	1,175,597	1,055,726
Other operating revenue	539,844	447,044
Capacity charge	50,763,293	61,953,343
Energy sent out	104,746,762	41,302,228
Ancillary services	23,700	23,700
Total	196,989,632	133,718,490

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5 Segment analysis-continued

Analysis of Cost of sales by category:

	31 December 2023 N'000	31 December 2022 N'000
Room	3,865,914	3,367,103
Food and beverages	7,553,043	4,851,662
Natural gas and fuel costs	54,866,113	48,547,556
Direct materials and related expenses	9,303,265	481,394
Employee costs	1,266,170	1,046,313
Depreciation and impairment	5,813,633	4,242,798
Repairs and maintenance	4,541,829	3,827,741
Insurance	546,471	298,970
Inventory Provision written back*	(928,842)	-
Other expenses	1,018,166	1,286,327
	87,845,762	67,949,865

*Inventory write-down provision carried forward from prior years amounting to N929 million was written back in the year as provision no longer required.

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.

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6. Investment in subsidiaries including consolidated structured entities

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

Company

Name of company	Principal activities	% holding		Carrying amount	Carrying amount
		2023	2022	2023	2022
				N' 000	N' 000
Transcorp Hotels Plc	Hospitality services	76.16 %	76.16 %	25,470,755	25,470,755
Transcorp Power Limited (now Transcorp Power Plc)*	Power generation	51.57 %	51.02 %	26,970,456	19,100,213
Transcorp Energy Limited	Exploration of petroleum product	99.00 %	99.00 %	9,900	9,900
TransAfam Power Limited	Power generation	95.00 %	95.00 %	47,500	47,500
Transcorp Properties Limited	Building	100.00 %	100.00 %	10,000	10,000
Transcorp OPL 281 Nigeria Limited	Exploration, refining and marketing of	100.00 %	100.00 %	500	500
Terago Commodities Limited	Growing of Agricultural product	95.00 %	95.00 %	9,500	9,500
Transcorp Refining Company Limited	Oil and gas exploration, refining and marketing	100.00 %	100.00 %	1,000	1,000
Transcorp Trading and Logistics Limited	General maritime Operation	100.00 %	100.00 %	10,000	10,000
Transcorp Telecomms Limited	Communication Operation	100.00 %	100.00 %	10,000	10,000
Aura by Transcorp Hotel Limited	Communication services	100.00 %	100.00 %	10,000	10,000
	Hospitality services	20.00 %	20.00 %	20	20
Transcorp Hotel Plc's investments in subsidiaries include:				-	-
Transcorp Hotels Calabar Limited	Hospitality services	100.00 %	100.00 %	-	-
Transcorp Hotels Port Harcourt Limited	Hospitality services	100.00 %	100.00 %	-	-
Transcorp Hotels Ikoyi Limited	Hospitality services	58.00 %	58.00 %	-	-
Aura by Transcorp Hotel Limited	Hospitality services	60.00 %	60.00 %	-	-
TransAfam Power Limited's investments in subsidiaries include:				-	-
Afam Power Plc	Power generation	100.00 %	100.00 %	-	-
Afam Three Fast Power Limited	Power generation	100.00 %	100.00 %	-	-
				52,539,631	44,669,388

*There was scrip dividend from Transcorp Power Plc during the year

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6. Investment in subsidiaries including consolidated structured entities - Continued

6.1 Movement in investment in subsidiaries

	2023	2022
	N' 000	N' 000
As at 1 January	44,669,388	42,395,763
Additional investment during the year	7,870,243	2,273,625
	52,539,631	44,669,388

6.2 Additional Investments made by subsidiaries during the year

Transcorp Power Plc*

Part of the dividend declared for year 2023 was converted into shares N7,870,243,000 which increased the Company's shareholding percentage from 51.02% to 51.57%

For Cashflow purpose

	2023	2022
	N' 000	N' 000
Additional investment during the year	7,870,243	2,273,625
Non cash items	(7,870,243)	-
	-	2,273,625

6.3 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	
		2023	2022
Transcorp Hotels Plc	Nigeria	23.84 %	23.84 %
Transcorp Power Plc	Nigeria	48.43 %	48.98 %
TransAfam Power Limited	Nigeria	5.00 %	5.00 %

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

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power Limited	
	2023	2022	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Assets						
Non-current assets	108,253,996	110,405,032	70,054,961	66,612,682	129,277,109	126,308,434
Current assets	17,840,920	10,082,350	153,335,587	101,574,766	14,381,176	8,799,099
Total assets	126,094,916	120,487,382	223,390,548	168,187,448	143,658,285	135,107,533
Liabilities						
Non-current liabilities	26,987,372	28,392,256	38,951,636	35,023,236	10,525,000	10,525,000
Current liabilities	32,311,174	29,305,512	126,576,567	95,200,238	97,591,508	87,829,428
Total liabilities	59,298,546	57,697,768	165,528,203	130,223,474	108,116,508	98,354,428
Total net assets	66,796,370	62,789,614	57,862,346	37,963,975	35,541,777	36,753,105
Carrying amount of non-controlling interest	15,924,255	30,409,010	28,022,734	18,594,755	1,777,089	1,837,655

Transcorp Hotel Plc Group includes Transcorp Hotels Calabar, Transcorp Hotels Port-harcourt, Transcorp Hotels Ikoyi and Aura by Transcorp Hotels

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6. Investment in subsidiaries including consolidated structured entities - Continued

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

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power Limited	
	2023	2022	2023	2022	2023	2022
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue	41,455,877	30,439,219	142,122,364	90,349,386	13,411,391	12,929,886
Cost of sales	(11,670,493)	(8,701,732)	(66,700,227)	(48,147,009)	(9,475,042)	(11,101,124)
Other operating income	674,390	711,327	597,949	189,109	3,700	504,746
Impairment (loss)/gain on financial assets	21,862	(68,573)	(2,731,924)	(812,741)	(365,172)	130,251
Impairment loss on goodwill	(1,011,644)	-	-	-	-	-
Administrative expenses	(17,257,256)	(13,863,869)	(8,663,021)	(5,709,134)	(2,404,458)	(1,895,934)
Net foreign exchange gain	931,465	250,591	-	-	-	-
Finance income	241,864	8,557	3,009,908	1,259,925	-	-
Finance cost	(3,904,013)	(4,141,497)	(14,871,348)	(8,510,559)	(2,508,306)	(108,898)
Profit before tax	9,482,053	4,634,023	52,763,701	28,618,977	(1,337,887)	458,927
Tax expense	(3,228,087)	(1,771,540)	(22,530,170)	(11,335,571)	-	-
Profit after tax from continuing operations	6,253,966	2,862,483	30,233,530	17,283,406	(1,337,887)	458,927
Loss for the year from discontinued operations	(160,854)	(244,588)	-	-	-	-
Profit for the year	6,093,112	2,617,895	30,233,530	17,283,406	1,629,849	1,629,849

Summarised consolidated and separate statement of cash flows

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power	
	2023	2022	2023	2022	2023	2022
Cash flows from operating activities	14,163,202	10,601,321	38,157,382	5,987,345	(1,282,913)	175,845
Cash flows from investing activities	(3,532,072)	(6,913,382)	(1,873,169)	(2,173,005)	(4,064,268)	(976,235)
Cash flows from financing activities	(7,576,985)	(3,871,926)	(32,617,273)	(1,890,764)	4,824,293	(834,560)
Net increase(decrease) in cash and cash equivalents	3,054,145	(183,987)	3,666,940	1,923,576	(522,888)	(1,634,950)

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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, investment in financial assets and cash and bank balances that are derived directly from its operations.

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

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

Classes and categories of financial instruments and their fair values

Categories of financial assets

Group - 2023

Carrying Value

		Fair value through other	Amortised	Total
	Note(s)	comprehensive income	cost	Carrying
		N'000	N'000	Amount
				N'000
Investment in financial assets	25	12,385,257	1,771,242	14,156,499
Trade and other receivables	29	-	146,398,317	146,398,317
Cash and cash equivalent	31	-	16,577,762	16,577,762
		12,385,257	164,747,321	177,132,578

Group - 2022

Carrying value

		Fair value through other	Amortised	Total
	Note(s)	comprehensive income	cost	Carrying
		N'000	N'000	Amount
				N'000
Investment in financial assets	25	3,672,305	1,606,270	5,278,575
Trade and other receivables	29	-	82,641,126	82,641,126
Cash and cash equivalent	31	-	9,378,246	9,378,246
		3,672,305	93,625,643	97,297,947

Company - 2023

Carrying value

Note(s)		Fair value through other	Amortised	Total
	Note(s)	comprehensive income	cost	Carrying
		N'000	N'000	Amount
				N'000
Investment in financial assets	25	12,385,257	-	12,385,257
Trade and other receivables	29	-	58,215,724	58,215,724
Cash and cash equivalent	31	-	997,910	997,910
		12,385,257	59,213,634	71,598,891

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7. Financial instruments risk management objectives and policies - Contd'

Company - 2022

	Note(s)	Fair value through other comprehensive income	Amortised cost	Total Carrying Amount
		N'000	N'000	N'000
Investment in financial assets	25	3,672,305	-	3,672,305
Trade and other receivables	29	-	37,230,650	37,230,650
Cash and cash equivalent	31	-	740,907	740,907
		3,672,305	37,971,557	41,643,862

Categories of financial liabilities

Group - 2023

	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	36	158,853,717	158,853,717
Borrowings	26	103,379,325	103,379,325
		262,233,042	262,233,042

Group - 2022

	Note(s)	Amortised cost	Total Carrying Amount
		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

Company - 2023

	Note(s)	Amortised cost	Total Carrying Amount
		N'000	N'000
Trade and other payables	36	34,392,372	34,392,372
Borrowings	26	34,633,610	34,633,610
		69,025,982	69,025,982

Company - 2022

	Note(s)	Amortised cost	Total Carrying Amount
		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

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7. Financial instruments risk management objectives and policies-continued

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.

	Note(s)	Group		Company	
		2023 N'000	2022 N'000	2023 N'000	2022 N'000
Borrowings	26	103,379,325	104,645,393	34,633,610	37,608,549
Trade and other payables	36	180,709,999	145,998,276	36,606,181	9,958,252
Total debt		284,089,324	250,643,669	71,239,791	47,566,801
Cash and cash equivalent	31	(16,577,762)	(9,378,246)	(997,910)	(740,907)
Net debt		267,511,562	241,265,423	70,241,881	46,825,894
Equity		187,297,700	154,773,737	62,623,820	47,891,773
Capital and net debt		454,809,262	396,039,161	132,865,701	94,717,667
Gearing ratio		59 %	61 %	53 %	49 %

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, 2023 and 2022.

Financial risk management

Credit risk

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

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

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7 Financial instruments risk management objectives and policies-continued

Group		2023			2022		
	Note(s)	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	155,297,166	(8,898,847)	146,398,319	89,653,455	(7,012,329)	82,641,126
Cash and cash equivalent	31	16,577,762	-	16,577,762	9,378,246	-	9,378,246

Company		2023			2022		
		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
Due from related party	29.4	59,998,678	(1,782,954)	58,215,724	38,895,069	(1,664,419)	37,230,649
Cash and cash equivalent	31	997,910	-	997,910	740,907	-	740,907

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					
Note		Current N' 000	<30 days N' 000	30-60 days N' 000	61-90 days N' 000	> 91 days N' 000	Total N' 000
31 December 2023							
Third party receivables							
Expected credit loss rate		0.45%	0.01%	0.05%	3.89%	15.08%	
Estimated total gross carrying amount at default	29.5	697,696	39,433,173	12,587,045	27,880,848	51,731,873	132,330,635
Expected credit loss	29.5	3,138	4,805	6,013	1,084,730	7,800,161	8,898,847
31 December 2022							
Third party receivables							
Expected credit loss rate		1.6%	2.0%	2.2%	7.3%	10.1%	
Estimated total gross carrying amount at default	29.5	7,345,680	6,835,465	8,324,560	3,204,560	62,649,310	88,359,575
Expected credit loss	29.5	120,254	136,584	184,355	235,455	6,335,681	7,012,329

There is no trade receivables for the Company.

Reconciliation of Loss Allowances on Third Party Receivables

		Group		Company	
		2023	2022	2023	2022
As at 1 January		7,012,329	6,969,450	1,664,419	3,416,316
Charge for the year		2,634,673	672,977	118,535	5,160
Write-off		(748,155)	(630,098)	-	(1,757,057)
As at 31 December		8,898,847	7,012,329	1,782,954	1,664,419

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Related party receivables (Note 29.2)	Company	
	2023	2022
Expected credit loss rate	2.0%	3.0%
Estimated total gross carrying amount at default	58,262,850	36,896,511
Expected credit loss	1,178,260	1,097,333

Credit Risk management

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

Liquidity risk

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

This is generally carried out at each of the respective companies of the Group in accordance with practice and limits set by the Group. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring financial position 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 fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (When revenue or expense is denominated in a foreign currency).

Foreign Currency Balance	Group		Company	
	2023	2022	2023	2022
USD	4,866,815	5,428,711	33,578	12,830
GBP	9,290	129,787	-	-
Euro	21,663	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	2023	2023	2022	2022
	Increase	Decrease	Increase	Decrease
Increase or decrease in rate				
Effect on profit before tax:				
Change in USD rate 5% (2022: 2%)	220,736,835	(220,736,835)	50,107,003	(50,107,003)
Change in GBP rate 5% (2022: 2%)	531,378	(531,378)	1,197,937	(1,197,937)
Change in Euro rate 5% (2022:2%)	21,544,901	(21,544,901)	1,419,431	(1,419,431)
	242,813,114	(242,813,114)	52,724,371	(52,724,371)

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NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

7. Financial instruments risk management objectives and policies-continued

Company	2023	2023	2022	2022
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Effect on profit before tax:				
Change in USD rate 5% (2022: 2%)	1,522,955	(1,522,955)	118,423	(118,423)

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 United States Dollar (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 being reduced since the Group's long-term debt obligations are fixed interest rates.

Market risk

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

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 N14,156,499,000 (31 December, 2022: N5,278,575,000). 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 NGX market index could have an impact of approximately N707,824,000 (31 December, 2022: N119,714,000) increase/ (decrease) on the income and equity attributable to the Group.

7. Financial instruments risk management objectives and policies-continued

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 Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (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 90 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, 2023 and 31 December, 2022.

7. Financial instruments risk management objectives and policies

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

31-Dec-23	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Upside (10%)	889,885	701,233	178,295	166,442
Base (82%)	7,297,055	5,750,110	1,462,022	1,364,824
Downturn (8%)	711,908	560,986	142,636	133,154
	8,898,847	7,012,329	1,782,953	1,664,420

7.1b Trade and other receivable and ECL allowances

	Group		Company	
	Dec 2023	Dec 2022	Dec 2023	Dec 2022
	N'000	N'000	N'000	N'000
Trade and other receivables	155,297,166	89,653,456	59,998,678	38,895,069
ECL Allowance	(8,898,847)	(7,012,329)	(1,782,954)	(1,664,419)
At 31 December	146,398,319	82,641,127	58,215,724	37,230,650

7. Financial instruments risk management objectives and policies

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 sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

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

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

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

Group Year ended 31 December, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	9,624,016	12,208,499	29,492,280	49,190,102	2,864,428	103,379,325
Trade and other payables	13,930,550	28,879,809	116,043,358	-	-	158,853,717
	23,554,566	41,088,308	145,535,638	49,190,102	2,864,428	262,233,042

Group Year ended 31 December, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	11,121,932	2,690,935	30,368,460	57,564,558	2,899,508	104,645,393
Trade and other payables	12,356,780	23,467,567	96,909,801	-	-	132,734,148
	23,478,712	26,158,502	127,278,261	57,564,558	2,899,508	237,379,541

Company Year ended 31 December, 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	-	-	25,922,020	8,711,590	-	34,633,610
Trade and other payables	-	-	34,392,372	-	-	34,392,372
			60,314,392	8,711,590		69,025,982

7. Financial instruments risk management objectives and policies

Company Year ended 31 December, 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	-	-	25,649,776	11,958,773	-	37,608,549
Trade and other payables	-	-	9,716,861	-	-	9,716,861
			35,366,636	11,958,773		47,325,410

8 Fair value measurement

Fair value hierarchy

Fair value measurement hierarchy for assets as at 31 December, 2023:

Fair value measurement					
2023 Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'00 ^	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2023	4,600,000	-	4,600,000	-
There were no transfers between Level 1 and Level 2 in the year ended 31 December 2023.					

2022 Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'00 ^	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2022	3,740,000	-	3,740,000	-

Fair value measurement

2023 Company Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'00 ^	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2023	4,600,000	-	4,600,000	-
There were no transfers between Level 1 and Level 2 in the year ended 31 December 2023.					

2022 Company Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'00 ^	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2022	3,740,000	-	3,740,000	-

Fair value measurement

Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'00 ^	Significant unobservable inputs (Level 3) N'000
Listed equity investments (Note 25)	31 Dec,2023	14,156,499	14,156,499	-	-
There were no transfers between Level 1 and Level 2 in yearended 31 December 2023.					

Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant ob- servable inputs (Level 2) N'00 ^	Significant unobservable inputs (Level 3) N'000
Listed equity investments (Note 25)	31 Dec,2022	5,278,575	5,278,575	-	-
There were no transfers between Level 1 and Level 2 in yearended 31 December 2023.					

Fair value measurement

Company Assets measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Listed equity investments (Note 25)	31-Dec-23	12,385,257	12,385,257	-	-

There were no transfers between Level 1 and Level 2 in yearended 31 December 2023.

Fair value measurement

Company Assets measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Listed equity investments (Note 25)	31-Dec-22	3,672,305	3,672,305	-	-

There were no transfers between Level 1 and Level 2 in year ended 31 December 2023.

8 Fair value measurement

8. Fair value information (continued)

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.

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 amortised cost 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.

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9. Revenue

Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

31-Dec-23	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	26,702,271	-	-	26,702,271
Food and beverages	13,038,165	-	-	13,038,165
Shop rental	1,175,597	-	-	1,175,597
Electric energy and capacity	-	155,510,055	-	155,510,055
Ancillary services	-	23,700	-	23,700
Other operating revenue	539,844	-	-	539,844
Total revenue from contracts with customers	41,455,877	155,533,755	-	196,989,632
Other revenue				
Dividend income	-	-	12,293,063	12,293,063
Total revenue	41,455,877	155,533,755	12,293,063	209,282,695
Timing of revenue recognition				
Goods transferred at a point in time	40,280,280	-	-	40,280,280
Services transferred over time	1,175,597	155,533,755	-	156,709,352
Total revenue from contracts with customers	41,455,877	155,533,755	-	196,989,632

The dividend for the corporate centre is made up of N10.8bn from Transcorp Power Plc and N1.4bn 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
	N '000	N '000	N '000	N '000
Revenue				
External customer	41,455,877	155,533,754	-	196,989,632
Inter-segment	-	-	12,293,063	12,293,063
	41,455,877	155,533,754	12,293,063	209,282,695
Inter-segment adjustments and eliminations	-	-	(12,293,063)	(12,293,063)
Total revenue	41,455,877	155,533,754	-	196,989,632

31-Dec-22	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	19,151,138	-	-	19,151,138
Food and beverages	9,785,311	-	-	9,785,311
Shop rental	1,055,726	-	-	1,055,726
Electric energy and capacity	-	103,255,571	-	103,255,571
Ancillary services	-	23,700.00	-	23,700
Other operating revenue	447,044	-	-	447,044
Total revenue from contracts with customers	30,439,219	103,279,271	-	133,718,490
Other revenue				
Dividend income	-	-	10,318,046	10,318,046
Total revenue	30,439,219	103,279,271	10,318,046	144,036,537

The dividend for the corporate centre is made up of N8.9bn from Transcorp Power Plc 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
	N '000	N '000	N '000	N '000
Revenue				
External customer	30,439,219	103,279,271	-	133,718,490
Inter-segment	-	-	10,318,046	10,318,046
	30,439,219	103,279,271	10,318,046	144,036,537
Inter-segment adjustments and eliminations	-	-	(10,318,046)	(10,318,046)
Total revenue	30,439,219	103,279,271	-	133,718,490

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10. Cost of sales

	Group		Company	
	2023	2022	2023	2022
	N '000	N '000	N '000	N '000
Room	3,865,914	3,367,103	-	-
Food and beverages	7,553,043	4,851,662	-	-
Natural gas and fuel costs	54,866,113	48,547,556	-	-
Direct materials and related expenses	9,303,265	481,394	-	-
Employee costs	1,266,170	1,046,313	-	-
Depreciation and impairment	5,813,633	4,242,798	-	-
Repairs and maintenance	4,541,829	3,827,741	-	-
Insurance	546,471	298,970	-	-
Inventory Provision written back*	(928,842)	-	-	-
Other expenses	1,018,166	1,286,327	-	-
	87,845,762	67,949,865	-	-

*Inventory write-down provision carried forward from prior years amounting to N929 million was written back in the year as provision no longer required.

31-Dec-23	Hospitality	Power	Corporate Centre (Company)	Total
Room	3,865,914	-	-	3,865,914
Food and beverages	7,553,043	-	-	7,553,043
Natural gas and fuel costs	-	54,866,113	-	54,866,113
Direct materials and related expenses	-	9,303,265	-	9,303,265
Employee costs	-	1,266,170	-	1,266,170
Depreciation and impairment	-	5,813,633	-	5,813,633
Repairs and maintenance	-	4,541,829	-	4,541,829
Insurance	-	546,471	-	546,471
Inventory Provision written back	-	(928,842)	-	(928,842)
Other expenses	251,536	766,630	-	1,018,166
	11,670,493	76,175,269	-	87,845,762

31-Dec-22	Hospitality	Power	Corporate Centre (Company)	Total
Room	3,367,103	-	-	3,367,103
Food and beverages	4,851,662	-	-	4,851,662
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	-	298,970	-	298,970
Other expenses	482,967	803,361	-	1,286,328
	8,701,732	59,248,133	-	67,949,865

11 Other gains or losses

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Management fees from subsidiaries	-	-	3,732,565	2,265,148
Change in fair value of investment properties	860,000	1,546,000	860,000	1,546,000
Dividend income on equity securities	673,674	482,532	673,674	482,532
Rental income on investment property	27,000	27,000	27,000	27,000
Key money	152,825	152,825	-	-
Deferred income(Note 34)	447,996	464,459	-	-
Profit/(Loss) from disposal of assets	18,128	(507)	-	2,688
Fair value loss on assets held for sale	-	-	-	-
Interest on investment	586,055	-	-	-
Other income	120,763	768,171	96,236	57,305
	2,886,441	3,440,479	5,389,475	4,380,673

11.1	Net foreign exchange gain	945,040	251,824	13,575	1,233
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Foreign exchange gain represents the gain resulting from exchange rate differences on foreign currency denominated transactions. Due to the materiality of the amount, the net foreign exchange gain of N1.1billion (2022:259m) has been disclosed separately in the statement of profit or loss and other comprehensive income. Please see below the comparative figure analysis.

Reclassified from	Reclassified to the face of income	Group	Company
		N'000	N'000
Other income	Net foreign exchange gain	251,824	1,233

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12. Finance income				
	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Financial instruments measured at amortised cost				
Interest income				
Interest on debt instrument	164,972	83,207	-	-
Interest on loan	1,018,090	25,402	1,277,061	968,491
Interest on bank deposits	241,609	8,557	-	-
Total finance income	1,424,671	117,166	1,277,061	968,491
Non cash item-interest on debt instrument (Note 29.7)	(164,972)	(83,207)	(1,277,061)	(968,491)
Finance income for Cashflow	1,259,699	33,959	-	-

13. Finance cost				
	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Interest on loans and borrowings	16,663,538	12,407,558	5,732,187	4,721,682
Interest on intercompany balance	-	-	1,165,669	-
Lease liabilities interest	-	2,877	-	2,877
Net foreign exchange losses on foreign currency borrowings	8,676,328	4,130,615	-	-
	25,339,866	16,541,050	6,897,856	4,724,559
Less: Capitalised borrowing cost	(335,077)	-	-	-
Total finance costs	25,004,789	16,541,050	6,897,856	4,724,559
Non cash item-interest on intercompany loan	-	-	(1,165,669)	-
Finance cost for Cashflow	25,004,789	16,541,050	5,732,187	4,724,559

14. Employee costs				
	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Direct employee costs				
Wages and salaries	1,234,927	1,015,070	-	-
Pension costs	31,243	31,243	-	-
	1,266,170	1,046,313	-	-
Indirect employee costs				
Wages and salaries	4,166,005	3,483,406	530,848	337,806
Pension costs	46,875	46,875	15,677	15,677
	4,212,880	3,530,281	546,525	353,483
Total employee costs				
Direct employee costs	1,266,170	1,046,313	-	-
Indirect employee costs	4,212,880	3,530,281	546,525	353,483
	5,479,050	4,576,594	546,525	353,483

Average number of persons employed during the year

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
Managerial	58	46	6	6
Senior staff	503	200	8	8
Others	1,058	1,145	5	5
	1,619	1,391	19	19

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

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
N500,000 - N1,000,000	470	478	-	-
N1,000,000 - N2,000,000	167	112	1	1
N2,000,001 - N4,000,000	559	471	2	2
N4,000,001 - N5,000,000	230	138	-	-
N5,000,000 and above	193	192	16	16
	1,619	1,391	19	19

Staff costs for the above persons (excluding Directors):

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Salaries and wages	5,400,932	4,498,476	530,848	337,806
Pension cost	78,118	78,118	15,677	15,677
	5,479,050	4,576,594	546,525	353,483

TRANSCORP HOTELS PLC
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14.1 Compensation of Managers

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Salaries and short-term employee benefits	1,080,186	899,695	106,171	67,561
Defined contributions	15,624	15,624	3,135	3,135
	1,095,810	915,319	109,306	70,696

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	
	2023	2022	2023	2022
	Number	Number	Number	Number
Less than N10,000,000	24	24	-	-
Over N10,000,000	34	22	6	6
	58	46	6	6

15. Administrative expenses

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Employee costs (Note 14)	4,212,880	3,356,517	546,525	353,483
Depreciation (Note 20)	2,641,546	2,612,043	20,536	14,364
Depreciation of Right of use Assets (Note 21)	56,759	56,759	56,759	56,759
Amortisation of Computer Software (Note 24)	35,776	41,095	-	-
Auditors remuneration	221,712	154,375	49,140	37,800
Marketing, sales and advertisement	861,332	857,470	15,948	13,492
Bank charges	682,957	631,123	23,021	6,697
Group services and benefits	904,961	736,526	-	-
Professional fees	702,697	1,367,740	193,837	336,838
Donations	15,847	5,219	7,677	-
Directors remuneration	849,413	636,113	366,265	283,038
Corporate social responsibility	1,239,403	833,171	38,000	164,500
Management fees*	4,040,064	2,021,809	411,252	376,250
Insurance	744,900	492,091	29,212	22,694
Telecommunications and IT expenses	384,079	300,333	-	-
Rents and rates	149,352	26,351	-	-
Energy cost	2,461,944	2,070,836	36,779	43,917
Repairs and maintenance	2,464,921	1,971,053	15,242	16,515
License and fees	157,570	159,178	31,706	22,791
Security	334,983	372,664	2,113	1,775
Travel, logistics and accommodation	721,297	476,334	114,673	91,332
Medical	282,419	441,618	-	-
Printing and Stationary	74,302	70,123	-	-
Provision for claims**	-	421,308	-	421,308
Office expenses	2,022,438	1,443,819	232,497	176,570
Other administrative expenses	679,360	420,749	73,403	58,856
Total administrative expenses	26,942,911	21,976,416	2,264,585	2,498,979

*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.

**In 2022, 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.

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16. Impairment loss on financial assets

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Trade receivables (Note 29.6)	2,634,673	677,277	118,535	5,160
	2,634,673	677,277	118,535	5,160

17. Income tax

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Current tax expense				
Current income/minimum tax charge	16,347,908	5,371,288	345,820	143,288
Tertiary education tax charged	1,907,139	979,929	-	-
Police tax	3,565	1,853	485	422
Capital gain tax	925	-	-	-
Underprovision of tax	2,018,511	-	-	-
	20,278,048	6,353,070	346,305	143,710
Tax on franked investment income	65,196	48,220	1,294,502	1,080,058
Deferred tax:				
Origination and reversing temporary differences	5,826,513	6,897,750	-	-
Tax expense/(credit) in the statement of profit or loss	26,169,757	13,299,040	1,640,808	1,223,768

Reconciliation of the tax expense

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Accounting profit before income tax	58,806,005	30,276,333	9,692,198	8,439,745
At Nigeria's statutory income tax rate of 30% (2022: 30%)	17,641,802	9,082,900	2,907,659	2,531,924
Tax effect of adjustments on taxable income				
Education tax	1,907,139	979,929	-	-
Police tax	3,565	1,853	485	422
Underprovision of tax	2,018,511	-	-	-
Deferred tax	5,826,513	7,030,306	-	-
Capital gain tax	925	-	-	-
Effect of deferred tax not recognised	-	-	647,213	1,040,776
Excess dividend tax	4,929,993	4,727,460.00	345,820	143,288
Tax effect of Loss relief	(5,024,717)	(7,234,889)	-	-
Tax on franked investment income	65,196	48,219.66	1,294,502	1,080,058
Income not subjected to tax	(4,626,509)	(4,626,509)	(3,687,919)	(3,705,746)
Other non-deductible expenses	3,427,339	3,427,339	133,046	133,046
Income tax expense reported in profit or loss	26,169,757	13,436,609	1,640,807	1,223,768
Effective tax rate	45%	44%	17%	15%

17.1 Current tax payable

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
As of 1 January	6,803,600	3,645,712	419,754	288,087
Income tax expense during the year	20,278,048	6,358,083	346,305	143,710
Payment during the year:	(4,733,727)	(3,200,195)	(143,710)	(12,043)
As of 31 December	22,347,922	6,803,600	622,350	419,754

18. Deferred tax

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Deferred tax relates to the following:				
Deferred tax liability	24,392,483	21,221,898	-	-
Deferred tax asset	(5,622,327)	(8,259,612)	-	-
Total net deferred tax liability	18,770,156	12,962,286	-	-

TRANSNATIONAL CORPORATION PLC
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18. Deferred tax - continued

18.1 Reconciliation of deferred tax liability

	Group			
	Statement of financial position		Statement of profit or loss	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Accelerated depreciation for tax purposes	24,392,483	21,221,898	3,170,585	5,041,179
Unrealised FX losses	(2,065,790)	(1,344,232)	(721,558)	(366,566)
Expected credit losses of debt financial assets	(3,537,895)	(2,195,059)	(1,342,836)	36,596
Losses available for offsetting against future taxable income	-	(4,720,321)	4,720,321	2,319,098
Tax on Actuarial gain in OCI	(18,642)	-	(18,642)	-
	18,770,156	12,962,286	5,807,870	7,030,307

18.2 Disclosure in SOFP

	N'000	N'000	N'000	N'000
Deferred tax liability	18,770,156	12,962,286	-	-
Deferred tax asset	-	-	-	-
Total net deferred tax liability	18,770,156	12,962,286	-	-

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 N20.1 billion and N14.3 billion as at 31 December, 2023 and 2022 respectively while deferred tax assets of N6.3 billion and N4.6 billion were not recognised for the year ended 31 December, 2023 and 2022 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	
	2023	2022	2023	2022
Profit attributable to ordinary equity holders of the parent for basic earnings (N'000)	16,377,832	7,787,836	8,051,390	7,215,977
Average number of ordinary shares for basic EPS (thousands)	40,647,990	40,647,990	40,647,990	40,647,990
Basic Earnings per share (Kobo)	40	19	20	18
Basic Earnings per share (Kobo)	40	19	20	18

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.

Transnational Corporation Plc
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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, 2022	39,524,249	55,183,828	184,033,527	18,865,134	870,846	19,291,755	317,769,339
Additions	1,788,612	258,491	2,147,627	1,417,579	26,892	11,965,076	17,604,277
Reclassification	1,100,000		3,971,036	16,457	-	(5,087,493)	-
Asset written off	-	-	-	-	-	(7,101)	(7,101)
Disposals	(4,413)	-	-	(29,455)	(8,025)	-	(41,893)
At 31 December, 2022	42,408,448	55,442,319	190,152,190	20,269,715	889,713	26,162,237	335,324,622
Additions	268,540	12,360	604,667	1,403,596	181,137	13,464,447	15,934,747
Interest capitalised	-	-	-	-	-	335,077	335,077
Reclassification	2,453.00	75,926	14,051,927	323	-	(14,123,072)	-
Transfer to assets held for sale	(485,888)	(1,292,687)	(749,213)	(584,045)	(15,089)	(3,367)	(3,130,289)
Disposals	-	(19,085)	(1,022,050)	(1,820,971)	(170,140)	-	(3,032,246)
At 31 December, 2023	42,193,553	54,218,834	203,037,521	19,268,619	885,621	25,835,322	345,431,911
Depreciation							
At 1 January, 2022	-	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	7,397,885	670,759	-	46,882,267
Depreciation for the year	-	1,143,829	5,923,465	1,273,116	114,769	-	8,455,179
Transfer to assets held for sale	-	(429,064)	(554,745)	(400,344)	(14,120)	-	(1,398,273)
Disposals	-	(20,822)	(1,021,901)	(1,814,605)	(170,141)	-	(3,027,469)
At 31 December, 2023	-	8,057,052	35,797,333	6,456,052	601,267	-	50,911,703
Carrying amount							
At 31 December, 2022	42,408,448	48,079,210	158,701,676	12,871,830	218,954	26,162,237	288,442,355
At 31 December, 2023	42,193,553	46,161,782	167,240,188	12,812,567	284,354	25,835,322	294,520,208

20. Property, plant and equipment-Continued

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, 2022	36,366	8,771	80,555	15,553	23,558	164,803
Additions	-	13,945	18,704	-	6,570	39,219
Reclassification	1,476	-	16,457	-	(17,933)	-
Disposals	-	-	(3,583)	(8,025)	-	(11,608)
Asset written off	-	-	-	-	(5,625)	(5,625)
At 31 December, 2022	37,842	22,716	112,133	7,528	6,570	186,789
Additions	145	-	9,289	-	-	9,434
Reclassification	5,345	-	323	-	(5,668)	-
At 31 December, 2023	43,332	22,716	121,745	7,528	902	196,223
Depreciation						
At 1 January, 2022	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
Depreciation for the year	3,590	2,166	14,172	608	-	20,536
At 31 December, 2023	34,820	8,635	86,909	7,504	-	137,868
Carrying amount						
At 31 December, 2022	6,612	16,247	39,396	632	6,570	69,457
At 31 December, 2023	8,511	14,081	34,836	24	902	58,355

Impairment and reversal of impairment

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

TRANSNATIONAL CORPORATION PLC
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20. Property, plant and equipment-continued

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Depreciation is allocated as follows:				
Cost of sales	5,813,633	4,242,798	-	-
Administrative expenses*	2,641,546	2,612,046	20,536	14,364
	8,455,179	6,854,844	20,536	14,364

* The 2022 comparative depreciation included in administration expenses has been adjusted for the derecognition of Transcorp Hotels Calabar's depreciation expenses, which has now been disclosed as discontinued operations.

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 2022	462,151	462,151
Addition	-	-
At 31 December 2022	462,151	462,151
Addition	-	-
At 31 December 2023	462,151	462,151
Depreciation		
At 1 January 2022	173,627	173,627
Depreciation	56,759	56,759
At 31 December 2022	230,386	230,386
Depreciation	56,759	56,759
At 31 December 2023	287,145	287,145
Carrying amount		
At 31 December 2022	231,765	231,765
At 31 December 2023	175,006	175,006

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

22. Investment properties

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
At 1 January	3,740,000	2,194,000	3,740,000	2,194,000
Net gain from fair value remeasurement	860,000	1,546,000	860,000	1,546,000
At 31 December	4,600,000	3,740,000	4,600,000	3,740,000

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, 2023, the fair values of the properties are based on valuations performed by Mr Ubosi Chukwudi Stephen - FRC/2013/PRO/NIESV/004/00000001493 of Ubosi Eleh & Co. Estate Surveyors & Valuers (FRC/2014/NIESV/0000003997) an accredited independent valuer. and specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Rental income derived from investment properties during the year amounts to N27 million (2022: N27 million).

Reconciliation of investment property - Group and Company

	Investment property
	N'000
Cost	N '000
At 1 January, 2022	2,194,000
Fair value remeasurement	1,546,000
At 31 December, 2022	3,740,000
Fair value remeasurement gain	860,000
At 31 December, 2023	4,600,000

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22. Investment properties - Continued

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

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2023	2022
Land - market comparison method (refer below)	Estimated rental value per sqm per meter	42,000	35,000
	Rent growth p.a.	20%	29%
	Average land value per square meter	925,000	750,000

Sensitivity Analysis

The following tables demonstrate the sensitivity to key variables in the calculation of the Investment Property value.

	2023 Increase	2023 Decrease	2022 Increase	2022 Decrease
Rental Value per sqm	5%	5%	5%	5%
	44,100	39,900	36,750	33,250
Investment Property Value	4,830,000	4,370,000	3,927,000	3,553,000

	2023 Increase	2023 Decrease	2022 Increase	2022 Decrease
Average Land value per sqm	5%	5%	5%	5%
	971,250	878,750	787,500	712,500
Investment Property Value	4,830,000	4,370,000	3,927,000	3,553,000

The comparison method of valuation was used to arrive at the fair value of the land. This method involved analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately in arriving at the value.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties.

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

23. Goodwill

Reconciliation of goodwill - Group

	Goodwill N'000
Cost	
At 1 January, 2022	30,934,143
Additions on acquisition of a subsidiary	-
At 31 December, 2022	30,934,143
Transfer of the fair value of Goodwill to assets classified as held for sale	(963,112)
At 31 December, 2023	29,971,031
Accumulated impairment losses	
At 1 January, 2022	-
Impairment losses for the year	-
At 31 December, 2022	-
Impairment losses for the year	(1,011,644)
At 31 December, 2023	(1,011,644)
Carrying amount	
At 31 December, 2022	30,934,143
At 31 December, 2023	28,959,387

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

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Carrying amount of goodwill				
Transcorp Power Plc (TPP)	9,701,190	9,701,190	-	-
Transcorp Hotels Plc (THP)	19,258,197	19,258,197	-	-
Transcorp Hotels Calabar(THC)	-	1,974,756	-	-
Total carrying amount of goodwill	28,959,387	30,934,143	-	-

In assessing goodwill for impairment at 31 December, 2023, 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 for Transcorp Power Plc as the recoverable amount of the subsidiary exceeded the carrying value.

Transcorp Power Plc CGU

The recoverable amount of Transcorp Power Plc CGU, N245.37bn as at 31 December 2023, 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 25% (2022: 19.5%) and cash flows beyond the five-year period are extrapolated using a 5% growth rate (2022: 5.5%) 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 N111.7bn. As a result of this analysis, no impairment charge has been recognised by management.

Transcorp Hotels Plc CGU

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

The fair value (Goodwill less impairment loss) of the Goodwill acquired through the business combination of Transcorp Hotels Calabar Limited has been transferred to assets classified as held for sale

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 2023, the fair values of the Property, Plant and Equipment (PPE) of Transcorp Hotel Plc has been determined by Mr Ubosi Chukwudi Stephen - FRC/2013/PRO/NIESV/004/00000001493 while the fair value of the other assets and liabilities have been determined based on the carrying amounts, which are same as the fair values by Ubosi Eleh & Co. Estate Surveyors & Valuers (FRC/2014/NIESV/00000003997) 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 the property physically, 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 within the locality 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, this method seeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) and other infrastructural 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 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.

The recoverable amount N81.6bn (2022:N76.3bn) exceeded the carrying amount N65.5bn (2022:N63.99bn).

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23. Goodwill and intangible assets with indefinite useful lives -

Analysis of values

The fair value has been determined as follows:

Market value

	Transcorp Hotels Plc	
	2023	2022
	N'000	N'000
Land and buildings	145,425,549	139,337,765
Items of plant and machinery	6,073,253	10,664,077
Items of office/computer equipment	608,493	680,207
Motor vehicles	226,050	184,585
Items of furniture and fittings	1,456,388	1,723,007
Intangible Assets	139,601	158,857
Other Receivables	300,075	300,075
Current Assets	17,840,920	10,082,350
Total market value	172,070,329	163,130,923
Fair value of liabilities	(59,298,546)	(57,697,767)
Net Fair Value	112,771,783	105,433,156
% Holding by TNC in THP – 76.16% (2022:76.16%)	85,886,990	80,297,891
Less: Costs of disposal at 5%	(4,294,349)	(4,014,895)
Fair value of net assets less cost of disposal	81,592,640	76,282,996
Recoverable amount attributable to TNC	81,592,640	76,282,996

Carrying Value:

Net asset as at 31 December	66,796,369	62,789,615
Goodwill as at 31 December	19,258,197	21,232,953
	86,054,566	84,022,568
% Holding by TNC in THP – 76.16% (2022:76.16%)	65,539,157	63,991,588

The Board has estimated the costs of disposal to be 5% (2022:5%) 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	2023	2023	2022	2022
	N'000	N'000	N'000	N'000
	Increase	Decrease	Increase	Decrease
Net Fair Value of Assets	85,886,990	85,886,990	80,297,891	80,297,891
Cost of Disposal	(6,012,089)	(2,576,610)	(5,620,852)	(2,408,937)
Recoverable Amount	79,874,901	83,310,380	74,677,039	77,888,954

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, 2022	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
Additions	35,300	-	1,086,933	1,122,233
Disposal	(22,616)	-	-	(22,616)
Transfer to asset held for sale	(11,554)	-	-	(11,554)
At 31 December, 2023	463,194	5,134,730	6,186,861	11,750,615
Amortisation and impairment				
At 1 January, 2022	(236,636)	-	-	(236,636)
Amortisation	(32,402)	(9,328)	-	(41,730)
At 31 December, 2022	(269,038)	(9,328)	-	(278,366)
Amortisation	(35,776)	(5,891)	-	(41,667)
Disposal	4,646	-	-	4,646
Transfer to asset held for sale	10,745	-	-	10,745
At 31 December, 2023	(289,423)	(15,219)	-	(304,642)
Carrying amount				
At 31 December, 2022	158,856	5,125,402	5,099,928	10,384,186
At 31 December, 2023	173,771	5,119,511	6,186,861	11,445,973

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24. Intangible assets - continued

Intangible assets - Company

	Computer software	Oil prospecting license (OPL)	Total
	N'000	N'000	N'000
Cost			
At 1 January, 2022	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2022	12,966	5,075,818	5,088,784
Additions	-	-	-
At 31 December, 2023	12,966	5,075,818	5,088,784
Amortisation			
At 1 January, 2022	(12,966)	-	(12,966)
Amortisation	-	-	-
At 31 December, 2022	(12,966)	-	(12,966)
Amortisation	-	-	-
At 31 December, 2023	(12,966)	-	(12,966)
Carrying amount			
At 31 December, 2022	-	5,075,818	5,075,818
At 31 December, 2023	-	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. In 2023, Transcorp has received approval for the license extension for another two years. The Company is currently processing the applicable extension fees

All expenditure related to the exploration and evaluation activities were capitalised during the year. Mining is projected to commence December 2024.

25. Investment in financial assets

	Group		Company	
	2023	2022	2023	2022
	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	3,672,305	3,887,961	3,672,305	3,887,961
Movement in other comprehensive income for current period	8,712,952	(215,656)	8,712,952	(215,656)
	12,385,257	3,672,305	12,385,257	3,672,305
Financial assets at amortised cost - debt instrument				
Opening balance	1,606,270	1,523,063	-	-
Addition	-	-	-	-
Interest earned on debt instrument (Note 12)	164,972	83,207	-	-
	1,771,242	1,606,270	-	-
Total investment in financial assets	14,156,499	5,278,575	12,385,257	3,672,305
Split between non-current and current portions				
Non-current assets	14,156,499	5,278,575	12,385,257	3,672,305

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25. Investment in financial assets - Continued

Investments held at reporting date - Group

	Statement of Financial Position		Statement of Profit or Loss and Other Comprehensive income	
	Fair value 2023 N'000	Fair value 2022 N'000	Fair value 2023 N'000	Fair value 2022 N'000
At 1 January	3,672,305	3,887,961	-	-
Additions	-	-	-	-
Fair value gain/(loss) on investment in equity instruments	8,712,952	(215,656)	8,712,952	(215,656)
Dividend received on equity instrument	-	-	673,674	482,532
Interest earned on debt instrument	1,771,242	1,606,270	164,972	83,207
Statement of Financial Position	14,156,499	5,278,575		
Statement of Profit or Loss and Other Comprehensive income			9,551,601	350,082

Investments held at reporting date - Company

	Statement of Financial Position		Statement of Profit or Loss and Other Comprehensive income	
	Fair value 2023 N'000	Fair value 2022 N'000	Fair value 2023 N'000	Fair value 2022 N'000
Opening balance	3,672,305	3,887,961	-	-
Fair value gain/(loss) on investment in equity instruments	8,712,952	(215,656)	8,712,952	(215,656)
Dividend received on equity instrument	-	-	673,674	482,532
Statement of Financial Position	12,385,257	3,672,305		
Statement of Profit or Loss and Other Comprehensive income			9,386,625	266,876

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	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Held at amortised cost				
Term loan	98,314,967	85,717,799	32,340,881	35,731,166
Bonds	-	1,924,980	-	-
Bank overdraft	4,041,655	3,898,110	2,292,729	1,877,383
\$215 million acquisition loan	1,022,703	13,104,504	-	-
	103,379,325	104,645,393	34,633,610	37,608,549

Financial liabilities: Interest-bearing loans and borrowings

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
N17 billion consolidated term loan	22,869,932	19,228,800	12,091,193	13,821,384
Other term loans	22,298,409	16,502,366	20,249,688	21,909,782
N10 billion 7- Year bond	-	1,924,980	-	-
N12.75 billion loan	11,231,040	11,666,034	-	-
N10 billion loan	5,626,016	9,230,171	-	-
Bank Overdraft	4,041,655	3,898,110	2,292,729	1,877,383
Term loan	36,289,570	24,087,412	-	-
N200 million loan	-	201,382	-	-
\$215 million acquisition loan	1,022,703	17,906,138	-	-
Total interest-bearing loans and borrowings	103,379,325	104,645,393	34,633,610	37,608,549
Total current interest-bearing loans and borrowings	51,324,795	46,606,260	25,922,020	25,649,776
Total non-current interest-bearing loans and borrowings	52,054,530	58,039,133	8,711,590	11,958,773

26. Borrowings

Total Interests-bearing loans and borrowings

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
As at 1 January	100,747,284	102,618,942	35,731,166	35,816,212
Additions	14,949,597	33,106,606	-	-
Effective interest	16,663,538	12,410,435	5,721,780	4,724,559
Principal repayments	(35,260,691)	(42,669,115)	(6,063,140)	(1,864,056)
Interest repayments	(6,103,309)	(8,850,199)	(3,048,926)	(2,945,549)
Exchange Loss	8,676,328	4,130,615	-	-
	99,672,747	100,747,284	32,340,881	35,731,166
Overdraft (Note 31)	4,041,655	3,898,110	2,292,729	1,877,383
	103,714,402	104,645,394	34,633,610	37,608,549

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 16%. These facilities are repayable by instalments at various dates between 2020 and 2030.

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 16%.

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 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 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 from its bankers for the purpose of acquiring 100% interest in Ughelli Power Plc. The balance was due for repayment in December 2021. However, in January 2022, the tenor of the loan was restructured to 2023 with a floating interest rate of 90 days LIBOR +8.5% and loan was repaid in FY 2023 with a loan balance of \$1.6mn

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 approximation of fair values:

Group

Financial liabilities

	Carrying amount		Amortised Cost	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Interest-bearing loans and borrowings	103,379,325	104,645,393	105,128,395	106,085,744

Company

Financial liabilities

	Carrying amount		Amortised Cost	
	2023	2022	2023	2022
Interest-bearing loans and borrowings	34,633,610	37,608,549	35,110,311	37,608,549

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.

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27. Asset Held for Sale

During the year, the board resolved to dispose of one of its subsidiaries, Transcorp Hotels Calabar Limited, and negotiations with several interested parties were ongoing. This was finalised by the execution of a purchase agreement with the selected buyer on 27 November, 2023. The disposal is consistent with the group's long-term policy to focus its activities on the group's other businesses.

	Group
	2023
	N'000
Transfer from Investment in subsidiaries	-
Transfer from Goodwill (Note 23)	963,112
Properties, plant and equipment	1,623,229
Intangible assets	131
Inventories	111,381
Trade and other receivables	122,969
Prepayments	15,623
Cash and bank balances	62,418
Fair value of total assets classified as held for sale	2,898,863
Trade and other payables	(392,639)
Tax liabilities	(6,224)
Total liabilities associated with assets classified as held for sale	(398,863)
Fair Value of net assets classified as held for sale	2,500,000

27.2 Discontinued Operations

	Group	
	2023	2022
	N'000	N'000
Revenue	1,244,738	1,002,695
Cost of sale	(418,977)	(350,525)
Gross profit	825,761	652,170
Other income	12,119	7,325
Impairment (losses) on financial assets	(12,966)	4,300
Operating expenses	(979,697)	(770,978)
Operating loss	(154,783)	(107,183)
Net finance income	153	164
Profit before tax	(154,630)	(107,019)
Attributable tax expense	(6,224)	(137,569)
Loss attributable to discontinued operations	(160,854)	(244,588)

	2023	2022
	N'000	N'000
Net cash from operating activities	39,351	156,666
Net cash inflow/(outflow) from investing activities	(18,792)	(260,892)
Net cash inflow/(outflow) from financing activities	-	-

28. Inventories

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Engineering spares	3,553,736	5,042,667	-	-
Guest supplies	150,472	169,110	-	-
Fuel	280,097	207,346	-	-
	3,984,305	5,419,123	-	-

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 N2.24 billion (2022: N2.08 billion).

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29. Trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Receivables from third-party customers and other receivables	146,398,317	82,641,126	1,131,134	1,431,472
Due from related companies	-	-	57,084,590	35,799,178
	146,398,317	82,641,126	58,215,724	37,230,650

29.1 Receivables from third-party customers and other receivables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Trade receivables	132,330,635	88,359,575	-	-
Other receivables	22,966,531	1,293,880	1,735,828	1,998,558
Allowances for expected credit losses	(8,898,847)	(7,012,329)	(604,694)	(567,086)
	146,398,319	82,641,126	1,131,134	1,431,472

29.2 Due from related companies

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Due from related companies and other receivables (Note 43)	-	-	58,262,850	36,896,511
Allowances for expected credit losses on due from related parties	-	-	(1,178,260)	(1,097,333)
	-	-	57,084,590	35,799,178

29.3 Other receivables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
WHT Receivable	508,982	271,956	361,965	271,956
Unclaimed Dividend Receivable	486,303	351,668	486,303	351,668
Staff Advance	352,901	352,901	352,901	352,901
Other receivables	21,618,345	317,355	534,659	1,022,033
	22,966,531	1,293,880	1,735,828	1,998,558

29.4 Total net trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Total trade and other receivables	155,297,166	89,653,455	59,998,678	38,895,069
Total allowance on expected credit loss on trade and other receivables	(8,898,847)	(7,012,329)	(1,782,954)	(1,664,419)
	146,398,319	82,641,126	58,215,724	37,230,649

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	2023		2022	
	Estimated gross carrying amount	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
	N'000	N'000	N'000	N'000
Expected credit loss rate:				
Current: 0.45%(2022:1.6%)	697,696	3,138	7,345,680	120,254
Less than 30 days past due: 0.1% (2022: 2.0%)	39,433,173	4,805	6,835,465	136,584
30 - 60 days:0.05% (2022: 2.2%)	12,587,045	6,013	8,324,560	184,355
61 - 90 days: 3.89% (2022: 7.3%)	27,880,848	1,084,730	3,204,560	235,455
More than 90 days: 15.1% (2022: 10.1%)	51,731,873	7,800,161	62,649,310	6,335,681
Total	132,330,635	8,898,847	88,359,575	7,012,329

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29.5 Impairment of trade receivables

Company	2023		2022	
	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
Current	50,153	17,471		16,384
Less than 30 days past due: 23% (2022: 28%)	117,064	68,312	298,715	68,312
30 - 60 days: 21% (2022: 26%)	186,923	79,883	374,566	79,883
61 - 90 days: 20% (2022: 23%)	67,257	112,098	562,345	112,098
More than 90 days: 40% (2022: 48%)	1,314,431	326,930	762,932	290,409
	1,735,828	604,694	1,998,558	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	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Opening balance in accordance with IFRS 9				
As at 1 January	7,012,329	6,969,450	1,664,419	3,416,316
Provision for expected credit losses	2,634,673	672,977	118,535	5,160
Write-off	(748,155)	(630,098)	-	(1,757,057)
Closing balance	8,898,847	7,012,329	1,782,954	1,664,419

29.7 Cashflows purpose

	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Opening balance- Gross	88,359,575	73,026,925	38,895,069	37,873,847
Closing balance - Gross	(155,297,166)	(88,359,575)	(59,998,678)	(38,895,069)
	(66,937,591)	(15,332,650)	(21,103,609)	(1,021,222)
Non-cash item- additional investment in subsidiary (Note 6.2)	-	-	(7,870,243)	-
Non cash item-interest on debt instrument (Note 12)	164,972	-	1,277,061	-
	(66,772,619)	(15,332,650)	(27,696,791)	(1,021,222)

30. Prepayments and other assets

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Maintenance contracts	253,503	231,123	-	-
Insurance and permits	246,487	284,041	-	-
Prepaid loan management fees (BOI Loans)	332,489	432,768	-	-
Deposits and Advances	3,066,425	3,045,450	-	-
Other prepaid expenses	508,045	459,571	51,660	47,938
	4,406,949	4,452,953	51,660	47,938
Current	4,384,795	4,431,381	29,506	26,366
Non-current	22,154	21,572	22,154	21,572
	4,406,949	4,452,953	51,660	47,938

31. Cash and cash balances

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Cash on hand	67,960	45,610	21,275	18,550
Cash at bank	10,705,706	6,929,040	421,908	200,961
Short-term deposits	5,804,096	2,403,596	554,727	521,396
	16,577,762	9,378,246	997,910	740,907

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 following as at 31 December

	Group		Company	
	2023 N'000	2022 N'000	2023 N'000	2022 N'000
Cash on hand and at bank	10,773,666	6,974,650	443,183	219,511
Short-term deposits	5,804,096	2,403,596	554,727	521,396
	16,577,762	9,378,246	997,910	740,907
Bank overdraft (Note 26)	(4,041,655)	(3,898,110)	(2,292,729)	(1,877,383)
	12,536,107	5,480,136	(1,294,819)	(1,136,476)

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32. Issued capital

32.1 Share capital

	Group		Company	
	2023	2022	2023	2022
Ordinary shares authorised				
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 cancellation of Transnational Corporation Plc's 4,352,009,707 unissued shares.

33 Share premium

	Group		Company	
	2023	2022	2023	2022
	N'000	N'001	N'002	N'003
Premium arising on issue of equity shares	6,249,871	6,249,871	6,249,871	6,249,871

34. Deferred income

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
At 1 January	1,992,078	2,456,537	-	-
Received during the year	13,500	-	13,500	-
Released to the statement of profit or loss	(447,996)	(464,459)	-	-
	1,557,582	1,992,078	13,500	-
Current	457,500	447,756	13,500	-
Non-current	1,100,082	1,544,322	-	-
	1,557,582	1,992,078	13,500	-

Transcorp Hotel Plc obtained loans from Bank of Industry (BOI) for the sum of N10billion in 2019 and 12.751billion in 2021. The purpose of the loans were to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new multi-purpose banqueting conference centre. The interest rate on the loan 10% was below the market loan rate. The fair value and the deferred income on the loan was recognized initially on the loan drawn-down date. The deferred income was subsequently amortized on a straight line basis over the tenor of the loan. There were no unfulfilled conditions relating to the loan as at the reporting date. The opening deferred income was N1.99 billion and N447 million was credited to other operating income in the statement of profit or loss for the year ended 31 December 2023.

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35. Contract liabilities

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Summary of contract liabilities				
Short-term advances for hospitality services (Note 35.1)	143,555	105,464	-	-
Key money from Hilton (Note 35.2)	2,139,550	2,292,375	-	-
	2,283,105	2,397,839	-	-
Reconciliation of contract liabilities				
As at 1 January	2,397,839	2,486,190	-	-
Deferred during the year	-	-	-	-
Recognised as revenue during the year	(114,734)	(88,351)	-	-
	2,283,105	2,397,839	-	-
Split between non-current and current portions				
Non-current liabilities	1,986,730	2,139,555	-	-
Current liabilities	296,375	258,284	-	-
	2,283,105	2,397,839	-	-

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

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Reconciliation of short-term advances				
At 1 January	105,464	40,990	-	-
Deferred during the year	143,555	105,464	-	-
Recognised as other operating income during the year	(105,464)	(40,990)	-	-
At 31 December	143,555	105,464	-	-
Current	143,555	105,464	-	-

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 N2.14bn 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	-	-
Received during the period	-	-	-	-
Recognised as other operating income during the year	(152,825)	(152,825)	-	-
At 31 December	2,139,550	2,292,375	-	-

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36. Trade and other payables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Financial instruments:				
Trade payables	127,853,890	111,745,004	-	-
Due to related companies and other payables	6,933,816	2,303,998	32,651,912	7,714,200
Accrued liabilities	9,190,281	9,702,330	225,992	823,850
Unclaimed dividend	1,726,424	1,325,828	1,514,468	1,178,811
Dividend payable (Note 36.1)	13,149,306	7,656,988	-	-
	158,853,717	132,734,148	34,392,372	9,716,861
Non-financial instruments:				
Advanced deposits	165,518	165,501	-	-
VAT and WHT	2,852,016	3,619,903	1,718,212	209,975
Afam payables (Note 36.3)	8,273,168	8,273,168	-	-
Other payables	10,565,580	1,205,556	495,597	31,416
	21,856,282	13,264,128	2,213,809	241,391
Total Trade and other payables	180,709,999	145,998,276	36,606,181	9,958,252

36.1 Dividend payable

As at 1 January	7,656,988	4,542,263	-	-
Appropriation during the year	13,883,468	8,142,612	2,032,295	812,960
Dividend paid	(8,391,150)	(5,027,887)	(2,032,295)	(812,960)
	13,149,306	7,656,988	-	-

The Directors proposed dividend of 10 kobo per ordinary share (2022: 5 kobo). The proposed dividend will be presented to shareholders for approval at the next Annual General Meeting and paid subsequently subject to withholding tax at an appropriate rate.

For Transcorp Power Plc, dividend of N3.13 was declared in 2023 based on 7,500,000,000 ordinary shares (2022: N214 based on 80,216,413 ordinary shares) while Transcorp Hotel Plc declared 20 kobo in 2023 (2022: 13kobo).

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 allotted.

36.4 Other payables

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Statutory Liabilities	-	-	-	31,416
Other payables	10,565,580	1,205,556	495,597	-
	10,565,580	1,205,556	495,597	31,416

37. Lease liabilities

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
At 1 January	-	297,123	-	297,123
Additions	-	-	-	-
Interest for the year	-	2,877	-	2,877
Payment	-	(300,000)	-	(300,000)
	-	-	-	-

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

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Deposit for shares-THIL (Note 38.1)	2,410,000	2,410,000	-	-
Deposit for shares-TAPL (Note 38.2)	10,525,000	10,525,000	-	-
	12,935,000	12,935,000	-	-

38.1 Deposit for shares-THIL

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 Plc and Heirs Holdings Limited, THIL will issue shares to Heirs Holdings Limited on completion of the construction and start of operation of the hotel.

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38. Deposit for shares - continued

38.2 Deposit for shares-TAPL

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 is 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 2023 by Mr. Paul Monday Odofin FRC/2024/PRO/NAS/002/974208, Associate - Nigerian Actuarial Society (NAS) 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 2023, yields per annum on long-term Government bond ranges between 13.0% and 17.0%. For the purpose of the current valuation, considering the plan's liability duration, we have adopted a discount rate of 15.0% p.a for the financial year 2023.

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, 2024 - 2028 has an assumed official \$/NGN exchange rate of 950, 2029 - 2033 is 1050. 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

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39. Defined Benefit Plan - Other employee benefit

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	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Current Service cost	8,021	194,713		
Interest expense	24,210	-		
Components of defined benefit costs recognised in profit or loss	32,231	194,713	-	-

Of the expense (service cost) for the year, N3.3 mn (2022: N79.8 mn) has been included in profit or loss as cost of sales and N4.7 mn (2022: N114.9 mn) has been included in administrative expenses. The net interest expense has been included within finance costs (see note 12.1). 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	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Actuarial (gains) and losses arising from changes in Discount Rate Assumption	(28,033)			
Actuarial (gains) and losses arising from changes in Exchange Rate Assumption	81,823			
Actuarial (gains) and losses arising from experience adjustments tax credit	2,702			
	(18,642)	-	-	-
Remeasurement of the net defined benefit liability	37,850	-	-	-

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	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Present value of defined benefit obligations	244,067	194,713	-	-
Fair value of plan assets	-	-	-	-
Funded status	244,067	194,713	-	-
Restrictions on asset recognised	-	-	-	-
Net liability arising from defined benefit obligation	244,067	194,713	-	-

Split between non-current and current portions

	2023	2022		
	N'000	N'000	N'000	N'000
Current liabilities	32,231	33,008	-	-
Non-current liabilities	211,836	161,705	-	-
	244,067	194,713	-	-

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

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

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Opening defined benefit obligation	194,713	-	-	-
Service cost	8,021	194,713	-	-
Interest cost	24,210	-	-	-
Actuarial losses	56,492	-	-	-
Benefits paid	(39,369)	-	-	-
Closing defined benefit obligation	244,067	194,713	-	-

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39. Defined Benefit Plan - Other employee benefit - continued

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 occurring 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	257,435	244,067	231,845
Effect of 1% increase or decrease in Escalation rate	240,315	244,067	248,159
Effect of 10% increase or decrease in Exchange rate	225,872	244,067	262,262
Effect of 10% increase or decrease in Withdrawal rate	245,915	244,067	242,251
Effect of 10% increase or decrease in Mortality rate	244,388	244,067	243,746

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	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Other Investments	1,800,450	1,800,450	400,100	400,100

The equity instrument represents a purchase of 10% of the 2,000,000 ordinary share capital of Jeolan Limited.

41. Non-Controlling Interest

	Group	
	2023	2022
	N'000	N'000
Balance brought forward	47,386,526	45,664,290
Transferred from Profit or loss account	16,088,539	9,051,888
Dividend	(11,851,173)	(8,896,735)
Scrip dividend	5,256,935	-
Right Issue in TPL	-	1,567,083
	56,880,827	47,386,526
For Cashflow purposes	2023	2022
	N'000	N'000
Increase in NCI	5,256,935	
Non cash items	(5,256,935)	
	-	

42. Commitments and contingencies

42a 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 2023, the Group had no commitments (2022:Nil).

42b Contingent Liability

The Group is involved in some legal actions in the ordinary course of the business. The Group has been advised by its legal counsel that the likelihood of the claims being against the Group is low and no provision required.

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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	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Amount owed to related parties				
Transcorp Power Limited (now Transcorp Power Plc)		-	32,651,912	7,714,200
Heirs Oil and Gas and related companies	6,933,816	2,303,998	-	-
	6,933,816	2,303,998	32,651,912	7,714,200
Amount owed by related parties				
Afam Power Plc	-	-	3,776,612	2,610,742
Transcorp Power Limited (now Transcorp Power Plc)	-	-	19,133,195	-
Teragro Commodities Limited	-	-	-	-
Transcorp OPL 281 Limited	-	-	12,264,709	10,976,222
Transcorp Hotels Plc	-	-	4,450,237	4,686,061
Transcorp Hotels Calabar Limited	-	-	56,756	44,999
TransAfam Power Ltd	-	-	18,385,000	18,385,000
Aura by Transcorp	-	-	2,854	-
Transcorp Energy Limited	-	-	193,487	193,487
	-	-	58,262,850	36,896,511

Terms and conditions of transactions with related parties

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 2023, the Company recognised N1.2bn (2022: N1.1bn) as provision for expected credit losses relating to amounts owed by related parties.

Group

During the year, Heirs Energies Limited (HEL) (formerly Heirs Oil and Gas) supplied gas to Afam Power Plc amounting to N5.3 billion (2022: N1.08 billion), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by HEL related companies to Transnational Group amounting to N3.9 billion (2022: N2.2 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%.

The loan with TAPL is N250m loan at 13% and N520m at 15.5%.

Other terms

The Company entered into a Technical and Management services agreement with Transcorp Hotels Plc, Transcorp Power Plc, 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 Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and their close family members. Close family members are those family who may be expected to influence, or be influenced by that individual in their dealings with Transcorp Group and its subsidiaries.

Key management personnel and their close family members engaged in the following transactions with the Group during the period:

Dr. (Mrs) Owen Omogiafo	Loan	<u>111,450</u>
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This is upfront advances in line with the terms and conditions of staff employment.

TRANSNATIONAL CORPORATION PLC
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

43.1 Key Management Personnel - continued

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Compensation to directors				
Salaries and other short-term employee benefits	832,983	619,683	357,146	273,919
Defined contributions	5,680	5,680	2,134	2,134
Fees and allowances	10,750	10,750	6,985	6,985
	849,413	636,113	366,265	283,038
 Amount paid to the highest paid director (excluding pension contributions)	 120,000	 90,000	 120,000	 90,000
 Chairman's emoluments				
Fees	1,500	1,200	1,500	1,200
Benefits in kind	64,878	64,878	64,878	64,878
	186,378	156,078	186,378	156,078

The number of Directors of the Company (including the highest paid Director) whose remuneration, excluding pension

	Group		Company	
	2023	2022	2023	2022
	Number	Number	Number	Number
Less than N10,000,000	23	23	-	-
Over N10,000,000	12	12	9	9
	35	35	9	9

44 Profit for the year from continuing operations after charging/(crediting):

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Profit before tax	58,806,005	30,383,351	9,692,198	8,439,745
Depreciation and Amortization expenses	2,641,546	2,612,043	20,536	14,364
Depreciation of Right-of-use assets	56,759	56,759	56,759	56,759
Employee benefit expenses	5,479,050	4,576,594	546,525	353,483
Auditor's remuneration	221,712	154,375	49,140	37,800
Finance expense	25,339,866	16,541,050	6,897,856	4,724,559
Finance income	(1,424,671)	(117,166)	(1,277,061)	(968,491)
Investment income	(673,674)	(482,532)	(673,674)	(482,532)
Impairment Loss	2,634,673	677,277	118,535	5,160
(Gain)/loss on disposal of property, plant and equipment	(18,128)	507	-	(2,688)

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. Events after reporting date

Subsequent to year end, Transcorp Power Limited change of name to Transcorp Power Plc was completed on 10 January 2024 with the approval of Corporate Affairs Commission (CAC). Consequently, the Company shares was listed on the Nigerian Exchange limited (NGX Exchange) on 4th March 2024.

Furthermore, the Transcorp Hotel Plc. obtained from the Federal Competition & Consumer Protection Commission (FCCPC) the requisite approval for the divestment of Transcorp Hotels Plc's 100% shares in Transcorp Hotels Calabar Limited. Similarly, the Securities and Exchange Commission(SEC) noted the proposed divestment, in line with the voluntary notification to the Commission. Apart from these, 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 2023.

47. Non-audit services

During the year, the Company's external auditors (Deloitte) rendered non-audit services to the Company.

	Group		Company	
	2023	2022	2023	2022
	N'000	N'000	N'000	N'000
Fee for Attestation of Internal Control over Financial Reporting	25,000	-	7,500	-

OTHER NATIONAL DISCLOSURES

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED
FOR THE YEAR ENDED 31 DECEMBER 2023

	Group				Company			
	2023 N'000	%	2022 N'000	%	2023 N'000	%	2022 N'000	%
Revenue	196,989,632		133,718,490		12,293,063		10,318,046	
Other operating income	2,886,441		3,699,629		5,389,475		4,380,673	
	199,876,073		137,418,119		17,682,538		14,698,719	
Bought in materials and services								
Foreign	(71,581,072)		(55,271,870)		6,031,568		3,634,400	
Local	(30,677,602)		(23,687,944)		(2,584,957)		1,557,600	
Total Value added	97,617,399	100	58,458,305	100	26,299,063	100	19,890,720	100
Applied as follows:								
To pay Employees								
Salaries and other benefits	5,479,050	6	4,576,594	8	546,525	2	353,483	2
To pay Providers of Capital								
Finance costs	25,004,789	25	16,541,050	28	6,897,856	26	4,724,559	24
To pay to Government								
Income tax	20,278,048	21	6,406,303	11	1,640,808	6	1,223,768	6
To be retained in the business								
Depreciation of property, plant and equipment	8,455,179	9	6,965,839	12	20,536	-	14,364	-
Depreciation of right-of-use assets	56,759	-	56,759	-	56,759	-	56,759	-
Amortisation of intangible assets	41,667	-	41,730	-	-	-	-	-
Deferred tax	5,826,513	6	7,030,306	12	-	-	-	-
	14,380,118	15	14,094,634	24	9,162,484	35	6,372,933	32
Value retained								
Retained profit	16,377,832	17	7,787,836	13	8,051,390	31	7,215,977	36
Non Controlling interest	16,097,562	15	9,051,888	15	-	-	-	-
	32,475,394	33	16,839,724	29	8,051,390	31	7,215,977	36
	97,617,399	100	58,458,305	100	26,299,063	99	19,890,720	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, government and that retained for the future creation of more wealth.

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 DECEMBER 2023

GROUP

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets	355,679,677	340,833,046	327,740,628	231,386,794	205,465,248
Current assets	171,345,179	101,869,876	88,259,389	87,824,258	88,683,047
Asset Held for Sale	2,898,863	-	-	-	-
Total assets	529,923,719	442,702,922	416,000,017	319,211,052	294,148,295
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	34,920,455	26,236,330	26,451,986	1,982,031	1,257,398
Retained earnings	68,922,551	54,577,014	47,602,138	28,620,256	29,536,057
Equity attributable to equity holders of the parent	130,416,873	107,387,211	100,627,991	57,176,154	57,367,322
Non-controlling interests	56,880,827	47,386,526	45,664,290	38,249,016	32,386,857
Total equity	187,297,700	154,773,737	146,292,281	95,425,170	89,754,179
Liabilities					
Non-current liabilities	87,058,334	87,782,001	74,697,140	125,984,032	106,225,396
Current liabilities	255,168,822	200,147,184	195,010,596	97,801,850	98,168,720
Liabilities directly associated with assets classified as held for sale	398,863	-	-	-	-
Total liabilities	342,626,019	287,929,186	269,707,736	223,785,882	204,394,116
Total equity and liabilities	529,923,719	442,702,922	416,000,017	319,211,052	294,148,295

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

Revenue	196,989,632	133,718,490	111,219,336	75,270,921	76,345,549
Profit before taxation	58,806,005	30,383,351	27,998,554	1,608,591	7,897,624
Taxation	(26,169,757)	(13,299,040)	(4,167,102)	2,183,517	(4,192,560)
Profit after taxation	32,636,248	17,084,311	23,831,452	3,792,108	3,705,064
Earnings per share (kobo)	40	19	34	-	4
Net Assets per share (kobo)	321	264	248	141	141
Dividend per share (kobo)	10	5	2	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.

TRANSNATIONAL CORPORATION PLC
CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 DECEMBER 2023

COMPANY

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
Assets					
Non-current assets	75,256,321	57,880,405	53,931,620	72,586,782	44,794,683
Current assets	59,243,140	37,997,923	35,773,274	17,958,157	15,436,092
Total assets	134,499,461	95,878,328	89,704,894	90,544,939	60,230,775
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	10,303,365	1,590,413	1,806,069	2,093,711	1,369,078
Retained earnings	25,746,588	19,727,493	13,324,478	10,296,595	8,314,716
Total equity	62,623,820	47,891,773	41,704,414	38,964,173	36,257,661
Liabilities					
Non-current liabilities	8,711,590	11,958,773	13,659,279	34,072,429	18,542,201
Current liabilities	63,164,051	36,027,782	34,341,201	17,508,337	5,430,913
Total liabilities	71,875,641	47,986,555	48,000,480	51,580,766	23,973,114
Total equity and liabilities	134,499,461	95,878,328	89,704,894	90,544,939	60,230,775

STATEMENT OF PROFIT OR LOSS

Revenue	12,293,063	10,318,046	5,127,383	2,725,533	3,173,773
Profit before taxation	9,692,198	8,439,745	4,022,153	2,666,403	1,242,401
Taxation	(1,640,808)	(1,223,768)	(587,789)	(278,043)	(506,467)
Profit after taxation	8,051,390	7,215,977	3,434,364	2,388,360	735,934
Earnings per share (kobo)	20	18	8	6	2
Net Assets per share (kobo)	154	118	103	96	89
Dividend per share (kobo)	10	5	2	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.