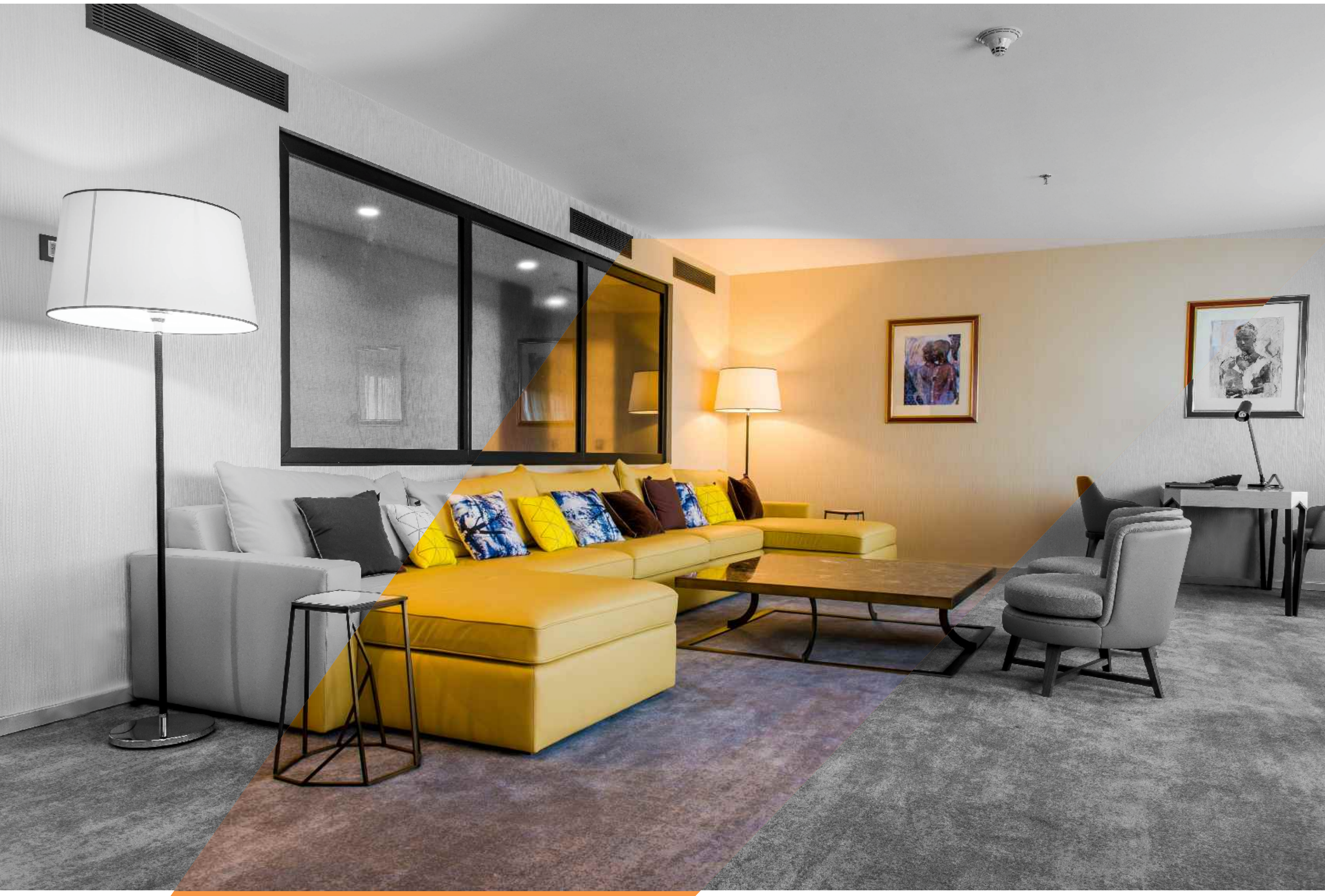
transcorp Hotels



2017

Annual Report
& Financial Statements

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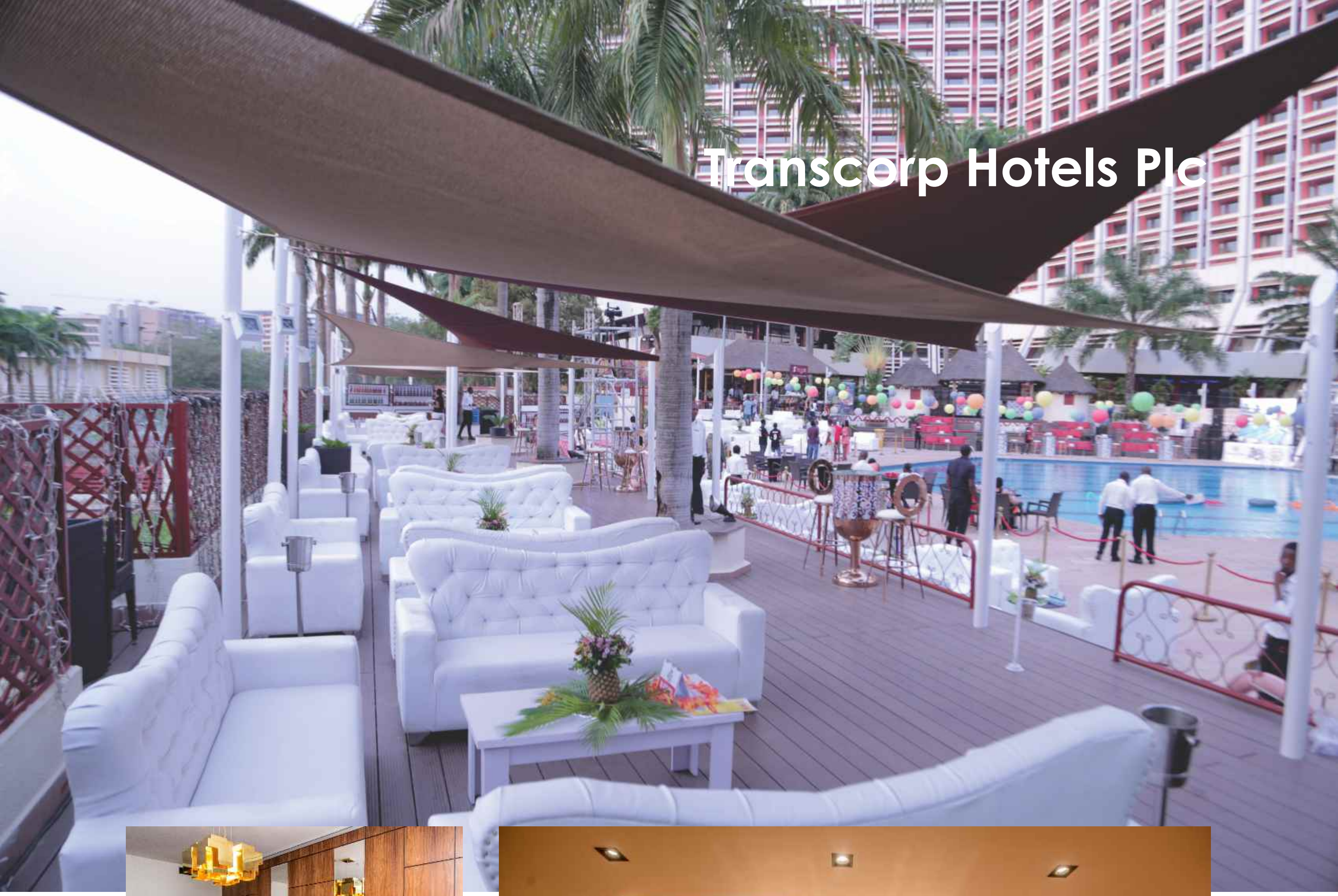
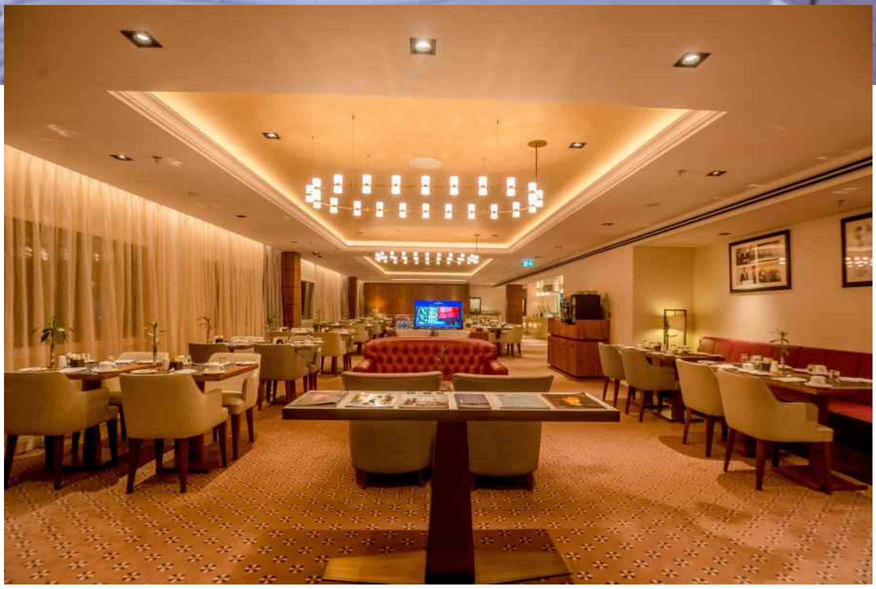
Transcorp Hotels Plc





Redefining Hospitality

– Transforming the Hospitality Experience across the Continent.

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CORPORATE INFORMATION

Transcorp Hotels Plc is the hospitality subsidiary of Transnational Corporation of Nigeria Plc (Transcorp), a diversified conglomerate with interests in the Power, Hospitality and Oil & Gas sectors.

Transcorp Hotels Plc aims to build Africa's choice hospitality assets, starting from Nigeria but building a strong footprint in high population cities across the West Africa region. As the pride and pearl of the Nigerian hospitality industry, with a multiple award-winning property in Abuja, the Transcorp Hilton Abuja; an equally award-winning destination hotel in Calabar, Transcorp Hotels Calabar and planned properties in both Lagos and Port Harcourt, Transcorp Hotels Plc continues to achieve excellence within the hospitality industry and develop strategies in the medium to long term that position the company as a key industry player on the continent. With over 15 local and international Awards won just in 2017 alone, Transcorp Hotels Plc continues to set the pace in hospitality excellence in Nigeria and on the Continent.

PURPOSE

"Through ownership of choice assets and provision of extraordinary service, Transcorp Hotels Plc is re-defining hospitality standards in the continent, while remaining truly and authentically African".

CORPORATE GOALS

a) Own Choice Assets
b) Provide Extraordinary Service
c) Re-defining Hospitality Standards in the Continent
d) Remaining truly and authentically African.

CORE VALUES – 3 E s

Our values drive us towards a common sense of purpose to create long lasting value for our stakeholders. These values which are deeply rooted in our employees are the bedrock of our business beliefs, practices, culture and philosophies that have been tested and proven over time to bring out the best in us.

Our Core Values

ENTERPRISE

- Ingenuity
- Determination
- Hardwork

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

EXECUTION

- Getting things done
- Ownership & Accountability
- Responsiveness

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

EXCELLENCE

- Quality
- Distinction
- Exceptionalism

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

Corporate Goals

Choice Assets

- To ensure our hotels are among the top 5 in Africa in terms of sustainable profitability, revenue growth and increased market value
- To own and build world-class hotels in key African cities with contemporary leisure, business and conferencing facilities starting with Nigeria

Extraordinary Service

- To constantly anticipate our guests and client needs and develop bespoke products and excellent services that meet their preferences
- To continuously improve the satisfaction of our guests and clients by creating unique and memorable experiences

Redefining Hospitality Standards in the Continent

- To create an enticing and aesthetically stimulating “home-away-from-home” experiences for our guests and clients

Remaining Truly and Authentically African

- To sustain our reputation as an award-winning brand in Africa
- To reflect the rich African culture in our hospitality, décor, leisure and entertainment
- To innovate a variety of African culinary offerings while providing quality continental cuisines

RESULTS AT A GLANCE

Group

For the year ended 31 December	2017 N'Million	2016 N'Million	Increased/ Decreased
Revenue	13,843	15,312	(10%)
Cost of sales	3,763	3,890	(3%)
Gross profit	10,080	11,422	(12%)
Administrative expenses	7,796	7,323	6%
Profit before tax	3,680	5,235	(30%)
Profit after tax	2,682	4,095	(35%)
As at 31 December			
Non-current assets	92,047	79,224	16%
Current assets	8,485	11,619	(27%)
Total assets	100,533	90,843	11%
Share capital	3,800	3,800	-
Shareholders fund	54,935	53,200	3%
Number of employees	1,252	1,755	(29%)

Company

For the year ended 31 December	2017 N'Million	2016 N'Million	Increased/ Decreased
Revenue	12,963	14,560	(11%)
Cost of sales	3,438	3,625	(5%)
Gross profit	9,524	10,934	(13%)
Administrative expenses	7,303	6,858	6%
Profit before tax	3,609	5,202	(31%)
Profit after tax	2,640	3,734	(29%)
As at 31 December			
Non-current assets	89,490	76,582	17%
Current assets	8,412	11,707	(28%)
Total assets	97,903	88,289	11%
Share capital	3,800	3,800	-
Shareholders fund	54,946	53,253	3%
Number of employees	1,174	1,587	(26%)
Per Share data			
Earnings per share (Kobo)	35	49	(29%)
Net assets per share (Kobo)	723	701	3%

BOARD OF DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

Directors

Olorogun O'tega Emerhor, OON	-	Chairman (Non-executive Director)
Mr. Valentine Ozigbo	-	Managing Director/CEO
Ms. Okaima Ohizua	-	Executive Director
Mr. Adim Jibunoh	-	Non-executive Director
Mr. Emmanuel N. Nnorom	-	Non-executive Director
Mr. Peter Elumelu	-	Non-executive Director
Dr. Vincent Akpotaire	-	Non-executive Director (resigned April 2017)
HRH Baba Mohammed	-	Non-executive Director (resigned August 2017)
Mr. Alex Okoh	-	Non-executive Director (appointed April 2017)
Dr. Bakari Wadinga	-	Non-executive Director
Hajia Saratu Umar	-	Independent Non-executive Director
Alhaji Abdulkadir Jeli Bello	-	Non-executive Director (appointed February 2018)

OFFICERS AND PROFESSIONAL ADVISERS

Company Secretary
Helen Iwuchukwu

Registered Office
1, Aguiyi Ironsi Street
Maitama, Abuja

Auditors
PricewaterhouseCoopers
Chartered Accountants
Landmark Towers
5B Water Corporation Road
Victoria Island, Lagos

Registrar and Transfer Office
Africa Prudential Plc
220B Ikorodu Road, Palmgrove, Lagos
Tel: 01-4612373-76

Bankers
United Bank for Africa Plc
Zenith Bank Plc
Skye Bank Plc

Rating

Rating Company	Company	Bond
Global Credit Rating Company	Long term (National) : A- (NG)	National A- (NG)
	Short term (National): A2 (NG)	National A- (NG)
Agusto& Co. Limited	Bbb	Bbb

DIRECTORS' PROFILE

Olorogun O'tega Emerhor, OON
Chairman

Olorogun O'tega Emerhor, OON, is the Chairman/CEO of Standard Alliance Group; Vice Chairman of former First Inland Bank Plc; Chairman Synetics Technologies Ltd and Heroes Group. He holds a First Class degree in Accountancy from University of Nigeria, Nsukka (1983). He is a Fellow of the Institute of Chartered Accountants of Nigeria, the Institute of Credit and Risk Management of Nigeria and the Academy for Entrepreneurial Studies. He is also a member of the Institute of Marketing Consultants.

He trained as a chartered accountant at the renowned PricewaterhouseCoopers and has worked in several Banks including Citibank, Fidelity Bank Plc, Guaranty Trust Bank and as Managing Director of erstwhile Crystal Bank. He is a Director of Transcorp Plc and a number of companies and has received various prestigious awards. He was appointed Director in 2009 and became Chairman in 2011.

Mr. Valentine Ozigbo
MD/CEO

Valentine Ozigbo is the MD/CEO of the Company who has led the positive transformation of the hotels in Abuja and Calabar in the past 6 years. He is the winner of Seven Stars Luxury Hospitality CEO of the Year (awarded at a global event in Spain). He is a hospitality expert, banker and accountant with over 21 years' experience in hospitality and banking (commercial, retail, investment and international banking). Valentine is also a Chevening Scholar and winner of various university and work place best student/staff awards. He graduated from Lancaster University, UK, with a Distinction in M.Sc Finance. He also has an MBA in Banking & Finance and a B.Sc. in Accounting both from the University of Nigeria, Nsukka and was the best faculty student.

Prior to joining the Company, Valentine was General Manager and Divisional Head in charge of Global Transaction Banking at Keystone Bank Limited, successor to Bank PHB. His remit covered product development, international business, global trade and eBusiness. Before then, he was the Divisional Head of International Banking and Head of Global Strategic Alliances at United Bank for Africa Plc. Valentine had also worked with FSB International Bank Plc (now Fidelity Bank Plc), Continental Trust Bank Ltd (now part of UBA) and Diamond Bank Plc. He is a Fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Taxation of Nigeria and the Institute of Credit Administration. He was appointed to the Board in October, 2011.

Ms. Okaima Ohizua
Executive Director

Okaima Ohizua is an Executive Director of the Company, with over 25 years working experience, and has been key to the upward service transformation at the Hotel since joining the Board and Management in 2013. A graduate in law from the University of Benin and the Nigerian Law School, Okaima also holds an Advanced Management Program certificate from the Pan-African University – Lagos Business School. She is an Associate member of WIMBIZ (Women in Management, Business and Public Service).

Until her appointment, she served as the Chief of Staff to the Chairman of Heirs Holdings. Before she joined Heirs Holdings, Okaima worked in reputable organizations such as Citi Group and United Bank for Africa Plc (UBA). At Citibank, she served in various senior capacities in areas like Customer Service, Sales, Products; and left as Assistant Vice President and Head of Electronic Banking & Implementation. While at Citi, Okaima acquired international professional exposure by on-the-job training at the South African and Kenyan offices of Citibank, as well as by undergoing numerous trainings locally and abroad organised by CitiGroup. She also held a senior management position at UBA, serving as Director, Customer Service. She was appointed to the Board in June, 2013. Okaima successfully drove the operational service excellence initiative at both properties in Calabar and Abuja, with the application of the Kaizen Operation Excellence philosophy, leading to an award for the best Kaizen Case Study in Africa.

Mr. Adim Jibunoh
Non-Executive Director

Adim Jibunoh is presently the President/CEO of Transnational Corporation of Nigeria Plc (Transcorp), overseeing all the Transcorp busineses, including Transcorp Power, Transcorp Hotels Plc and Transcorp Energy. Prior to that, he was the Business Development Director at Heirs Holdings overseeing the non-banking financial services investments in the Group. He is a First Class graduate in Economics from the University of Port Harcourt. His career in the banking industry spans over two and a half decades. His prior positions have included Investment Executive at the Nigerian Industrial Development Bank (NIDB-now Bank of Industry); Executive Director at Standard Trust Bank Plc; and the Chief Executive Officer of Continental Trust Bank. He is also a non-executive Director of United Capital Plc. He was appointed to the Board in March 2016.

Mr. Emmanuel Nnorom
Non-Executive Director

Emmanuel Nnorom is currently the Chief Executive Officer (CEO) of Heirs Holdings (HH) Group. Prior to this appointment, he has served as President/CEO of Transnational Corporation of Nigeria Plc (Transcorp), as the President/Chief Operating Officer (COO) of Heirs Holdings Group, and as CEO of UBA Africa, overseeing United Bank of Africa's operations outside Nigeria and executing corporate strategy in 18 African countries. Other senior roles within UBA included Group COO UBA, followed by his appointment as UBA's Group Chief Operating Officer (GCOO), with responsibility for Finance and Risk.

He is a chartered accountant, and brings over 3 decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of the Oxford University's Templeton College, and a Prize winner and Fellow of both the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Bankers of Nigeria (CIBN). He was appointed to the Board in January, 2014.

Hon. Peter J. Elumelu
Non-Executive Director

Hon. Peter Elumelu holds a Bachelor of Science degree in Business Management from Rivers State University of Science and Technology, Port Harcourt and a Master of Science degree in Financial Management Technology from Federal University of Technology Owerri (FUTO). He has attended several local and international courses on corporate governance and risk management.

Hon. Peter Elumelu is an astute businessman cum politician with over 29 years of experience, cutting across the private and public sectors of the economy. He currently sits on the Board of several companies including African Prudential Plc – and of Pet Jibson & Company Limited, where he is Chairman/CEO. He was the former Chairman, Board of Directors of Delta State Urban Water Board, Asaba which he successfully managed and executed various laudable projects. He is also a member of the Institute of Directors. He was appointed to the Board of Africa Prudential Plc on February 14, 2013 and similarly, to the Board of Transcorp Hotels on November 11, 2014.

Mr. Alex Okoh
Non-Executive Director

Mr. Alex Okoh is the Director-General of the Bureau of Public Enterprises (BPE). Until this appointment by the Federal Government on April 13, 2017, he was the Managing Partner of Ashford & McGuire Consulting Ltd. Alex Okoh is a member of the Presidential Economic Advisory Council. He has 33 years' experience, of which 22 were in the banking industry. He was the Managing Director/CEO of NNB International Bank Plc from 2001 to 2006 where his visionary leadership took the bank from a comatose state to a position of enhanced value for stakeholders. He also has 10 years in management consultancy, having functioned as the Managing Partner of Ashford & McGuire Consulting Ltd, a wholly indigenous top consulting firm.

Alex Okoh is an Alumnus of Harvard Business School's Advanced Management Program (AMP), and has also acquired international professional exposure through programs with Citibank New York, Fidelity Bank London, Swiss Banking Corporation Zurich and Grindlays Bank, Zimbabwe. His former employers include Nigeria International Bank Limited (Citibank) and United Bank for Africa Plc. He studied Sociology at the University of Benin and holds a Masters' degree in Banking & Finance from the University of Ibadan.

Dr. Bakari Wadinga
Non-Executive Director

Dr. Bakari Wadinga is currently the Director in charge of Revenue and Investment at the Office of the Accountant-General of the Federation. He was the Director of Finance and Accounts at the Bureau of Public Service Reforms, and Chief Economic Analyst of the Bureau. He holds a PhD in Economics from the Ahmadu Bello University Zaria, an MBA and MSc with specialization in Economics from Bayero University Kano and a Bachelor of Science degree in Economics from the University of Maiduguri. He is a chartered accountant from the Institute of Chartered Accountants and Chartered Institute of Taxation. He brings to the table over 2 decades of professional experience in the corporate and financial sectors working with publicly listed companies. He has served as Deputy Director (F&A) National Planning Commission, Head Planning, Reporting and Statistics department (Federal Inland Revenue Service), Chief Accountant (F&A Dept.), Ministry of Defence, Finance and Accounts Manager (Savannah Beverages), Accountant (Progress Bank of Nigeria) and Auditor /Accountant Trainee Peat Marwick Ani Ogunde & Co (now KPMG). He has written various notable articles on the Nigerian financial sector. He was appointed to the Board on October 7, 2016.

Hajia Saratu Umar
Independent Non-Executive Director

Saratu Umar is a 1989 graduate of B.Sc. Economics from Ahmadu Bello University Zaria, and also holder of an MBA degree with specialization in Finance and Banking.

A well-rounded Banker, Economist, Strategist, Investment promotion specialist, notable Change Agent and Change Manager, who constantly aims for the ultimate goal of improving the Nigerian economy, she has served as the Executive Secretary/CEO of the Nigerian Investment Promotion Commission (NIPC), the first female to hold that position since the establishment of the Commission in 1995.

She has over twenty-five [25] years working experience, with most of them spent in Development Banking where she started as a pioneer staff of NEXIM on April 8, 1992 and traversed/headed all strategic and key departments of the Bank. Vastly trained, locally and internationally in all core aspects of her Banking career, as well as in Leadership, Strategy and Management, she has also worked on various projects with a number of world-class Management Consultants aimed at corporate transformation/re-engineering/restructuring. She started engaging in Investment Promotion assignments for Nigeria, at least eleven [11] years before being appointed to lead the NIPC, during which she served as speaker (amongst others) in several Trade Missions in Europe, America and Asia aimed at seeking investors for the Country.

Saratu is a Fellow of the American Academy of Financial Management (FAAFM); a certified Chartered Wealth Manager [CWM], a Certified Risk and Compliance Management Professional (CRCMP), a Fellow, Institute of Chartered Economists (FCE); a senior Associate of the Risk Management Association of Nigeria and a senior member of the Chartered Institute of Bankers of Nigeria amongst others. She is also a recipient of local and international awards amongst them, the 2012 International Distinguished Leadership Award. She was appointed to the Board on October 7, 2016.

Abdulqadir Jeli Bello
Non-Executive Director

Mr. Bello retired as an Executive Director from the United Bank for Africa Plc. in 2013, with very robust working experience of about 30 years which started with an accountancy and audit internship at the Deloitte, Haskins & Sells/ Adetona, Isichei & Co Sokoto office between 1985 and 1988. He later joined the then Gamji Bank of Nigeria Plc., and rose to become the bank's Head of Credit Control and Policy and later Area Manager, North.

Mr. Bello joined United Bank of Africa PLC in 1996 as part of the turnaround team that shaped the bank's future post privatization when he served as Senior Manager, Credit Assessment. He was later a part of the team that set up the Risk Management structures and processes of United Bank of Africa PLC in 2003. He grew to become that bank's Chief Credit Officer and later Executive Director, Risk Management/ Chief Risk Officer.

Abdulqadir Bello was also at different times the Executive Director in charge of UBA's business in the North.

Abdulqadir holds a B Sc in Accounting from the Bayero University Kano and became an Associate member of the Institute of Chartered Accountants of Nigeria in 1990 and was subsequently conferred with a fellowship of the institution (FCA) in 2016. He is also a Fellow of the Institute of Credit Administration. His key area of interest is to champion the enthronement of world class Enterprise Wide Risk Management structures, processes and culture in our local institutions that will constitute the foundation for financially strong and healthy institutions and a robust national economy.

MANAGEMENT PROFILE

Mr. Valentine Ozigbo
MD/CEO

Valentine Ozigbo is the MD/CEO of the Company who has led the positive transformation of the hotels in Abuja and Calabar in the past 6 years. He is the winner of Seven Stars Luxury Hospitality CEO of the Year (awarded at a global event in Spain). He is a hospitality expert, banker and accountant with over 21 years' experience in hospitality and banking (commercial, retail, investment and international banking). Valentine is also a Chevening Scholar and winner of various university and work place best student/staff awards. He graduated from Lancaster University, UK, with a Distinction in M.Sc Finance. He also has an MBA in Banking & Finance and a B.Sc. in Accounting both from the University of Nigeria, Nsukka and was the best faculty student.

Prior to joining the Company, Valentine was General Manager and Divisional Head in charge of Global Transaction Banking at Keystone Bank Limited, successor to Bank PHB. His remit covered product development, international business, global trade and eBusiness. Before then, he was the Divisional Head of International Banking and Head of Global Strategic Alliances at United Bank for Africa Plc. Valentine had also worked with FSB International Bank Plc (now Fidelity Bank Plc), Continental Trust Bank Ltd (now part of UBA) and Diamond Bank Plc. He is a Fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Taxation of Nigeria and the Institute of Credit Administration. He was appointed to the Board in October, 2011.

Ms. Okaima Ohizua
Executive Director

Okaima Ohizua is an Executive Director of the Company, with over 25 years combined working experience in the financial services and hospitality industries. She graduated in law from the University of Benin and the Nigerian Law School. Okaima also holds an Advanced Management Program Certificate from the Pan-African University – Lagos Business School, and is also an Associate member of WIMBIZ, a foremost Nigerian organisation for women in management, business and public service. Until her appointment to the Board, she served as the Chief of Staff to the Chairman of Heirs Holdings, and was responsible for providing support to the Chairman. Before she joined Heirs Holdings, she worked in leadership roles in reputable organizations such as Citi Group and United Bank for Africa Plc (UBA). At Citibank, she served in various senior capacities in areas like Customer Service, Sales, Products; and left as Assistant Vice President and Head of Electronic Banking & Implementation. She also held a senior management position at UBA, serving as Director, Customer Service, driving the service transformation initiatives. She was appointed to the Board in June, 2013 and has been key to the positive service transformation at both Properties owned by the Group.

Mrs. Helen Iwuchukwu
Group Company Secretary

Helen Iwuchukwu is the Group Company Secretary of Transnational Corporation of Nigeria Plc (Transcorp). Consequently, she serves as Company Secretary to 4 active Companies within the Transcorp Group, including Transcorp Hotels Plc and Transcorp Power Limited. Helen joined Transcorp Plc in 2006 and has held a number of sensitive and senior positions at Transcorp and its subsidiaries in different capacities. She was previously the Company Secretary / Legal Adviser for Transcorp Group from October 2009 to February 2012. She holds an LL.B (Hons) degree in Law from Abia State University. She was enrolled as a Solicitor and Advocate of the Supreme Court of Nigerian in 1993 (BL Hons) and holds a Master of Laws degree (LLM) from Middlesex University Business School, London. She specialises in Employment Law. Helen is a member of the Nigerian Bar Association and has acquired 25 years of professional work experience both in Nigeria and the United Kingdom in legal advisory, corporate law, corporate governance, administration, human capital management and government relationship management.

Mr. Adekunle Elumaro
Chief Financial Officer

Adekunle Elumaro is the Chief Financial Officer of Transcorp Hotels Plc. He graduated with a B.Sc. (Honours) degree in Accounting from University of Ado Ekiti in Ekiti State in 1999. He graduated with First Class Honours. Adekunle started his professional career with Ernst & Young in 2001. He had both tax and audit experience before joining Nestle Nigeria Plc and Neptune Software Plc where he gained both financial accounting and information technology experiences respectively.

He returned to professional practice in 2005 with Deloitte. At Deloitte, Adekunle worked as a financial adviser for 7 years advising organizations across industries. His professional skills range from valuation, due diligence, financial modelling, forensic auditing, and special financial investigation to buy side/sell side advisory. He joined Transcorp Hotels Plc in 2012 as the CFO.

He is a Fellow of the Institute of Chartered Accountants of Nigeria and Fellow of the Institute of Credit Administration. He is a level 3 Candidate of Chartered Financial Analysts (CFA) Institute. He also has a Master degree in Management from Nile University of Nigeria, Abuja.

Mrs. Irene Nwankwo
Head of Internal Audit

Irene earned a Second Class upper degree (BSc) in Microbiology and Brewing from the Nnamdi Azikiwe University, Awka. She is a Certified Internal Auditor (CIA), Information Systems Auditor (CISA) and Financial Service Auditor (CFSA). Irene is a seasoned consultant on corporate governance best practice having been certified by the Institute for International Research (IIR) in conjunction with the George Washington University School of Business on Corporate Governance Best Practices.

Irene began her career as an Analyst in KPMG Professional Services, one of the internationally recognised "Big Four" accounting firms. Prior to joining Transcorp Hotels, she had risen to the position of Assistant Manager in the Internal Audit, Risk & Compliance Services Unit of the firm and was responsible for overseeing, managing and coordinating engagements and project teams.

She has varied relevant experience in internal audit and control, quality assurance, compliance and process reviews, and accounting/financial reporting. Irene is an active member of the Institute of Internal Auditors (IIA). She is also a member of Information Systems Audit and Control Association (ISACA) and the Institute of the Credit Administrators (ICA).

Mr. Peter Donnellan
Project Director

Peter Donnellan is the Project Director at Transcorp Hotels Plc. He is a Civil Engineering graduate and is currently studying for a Masters Degree in Law, LLM specializing in Construction and Arbitration. In addition to these, he also holds a number of degrees and certifications in various disciplines including. Logistics Management, Electronic Engineering and Business Management. Peter has over 25 years experience in large capital projects which includes but not limited to building of hotels and resorts, shopping malls, railroads, ports, power plants, bridges, housing and commercial buildings

He started his career at Mcinerney Construction, Portugal where he worked as a junior Project Manager after which he worked with Bovis Lendlease as General Manager, Infrastructure Division. Until recently, he worked with Halliburton in Brazil where he was responsible for setting up all cost reporting procedures and reports; advising and assisting the Client and the Employer's Project Manager (PM) in administering the terms of the building contract during operations on Site and financial reporting.

Peter has achieved the delivery of 27 hotels and resorts in the Emirate of Abu Dhabi, London, Portugal, Spain and Jordan.

Etienne-Charles Gailliez
General Manager,
Transcorp Hilton Abuja

Etienne has 30 years' experience in international Hotel Management across different international operators and has worked in 9 different Hilton Hotels in the past 22 years, making him very versatile in hotel management. He is hands-on and his strong Food & Beverage background has contributed greatly to his hospitality acumen. Etienne has participated in quite a lot of Hilton Hotel renovations and pre-opening operations, as well as multiple project experience as Owners' representative.

He holds a higher degree in Hotel Management from Belgian University and further education at IMD, Switzerland and Cornell University, United States. He is a Certifed General Manager within Hilton as well as the Winner of the 2014 "The Hilton President's Award".

Chuma Mgbojikwe
General Manager,
Transcorp Hotels Calabar

Chuma is a consummate hospitality services professional with over 18 years corporate experience spanning some of the biggest hotel chains in the world, such as Marriott, Hilton and the Wyndham Hotels.

He holds an MSc. (International Hotel and Tourism Management) degree from Oxford Brookes University, Oxford, UK and a BSc. (Estate Management) degree from the University of Greenwich, UK.

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CHAIRMAN'S STATEMENT

Distinguished Shareholders, Ladies and Gentlemen, it is my honour and privilege to welcome you to the fourth (4th) Annual General Meeting of our company, Transcorp Hotels Plc ("Transcorp Hotels" or "the Company").

The Company was able to overcome the myriad of business challenges that affected businesses generally in Nigeria, and specifically our industry in 2017, through robust and resilient business strategies and strong and best-in-class corporate governance to continue to operate profitably and efficiently.

Permit me to present to you Transcorp Hotels Plc's Annual Report and Financial Statements for the financial year ended, December 31st 2017.

GLOBAL ECONOMY

Accommodative monetary policy, vibrant international trade and sustained fiscal stimulus contributed to making 2017 a great year for the global economy.

2017 marked the 10th year from the onset of the financial crisis. During the period, global oil price recovered sharply, amid a boom in economic activity and control of oil supply by OPEC while global stock markets roared ahead.

Significant advances were made in Europe compared to other major developed economies. There was also accelerated growth in key economies such as United States, Japan and China.

The challenges and uncertainty from the Brexit leading to the depreciation of the Pound, higher interest rates, surge in imported food and fuel costs made Britain the weakest economy in the G7. It is interesting to note that the UK has managed to weather the storm with her biggest and most relevant lenders passing the Bank of England's stress tests. This is good news as in the event of a final Brexit, UK banks will be able to support the real sector.

On the whole, the economic story of 2017 has been one of positive growth and rising stocks, representing an ideal window of opportunity for policymakers to undertake critical reforms to improve potential output, raise living standards and minimise downside risks.

BUSINESS ENVIRONMENT

The expansionary fiscal policies implemented by the Federal Government have recorded some level of success as the country officially exited the recession in the second half of 2017 (having recorded two successive quarters of growth in GDP) and is now on the path for long-term sustainable growth. Activity in the third quarter onwards has been spurred on by a more robust agricultural sector and energy sector. In particular, the energy sector was strengthened by more competitive oil prices (closing at over $65 per barrel) and stable production levels.

However, other sectors did not perform so well in Q3 2017, a pointer to the relatively fragile economic situation of a GDP growth largely backed by oil revenue. Economic recovery is yet to translate into prosperity across board as prices of imported and local items remain high. Unemployment rate increased from 14.2% at the start of 2017 to 18.8% by year end. The double-digit inflation rate is unyielding while the persistent scarcity of foreign exchange has widened the gap between the official and parallel market rates.

In February 2017, the Federal Government announced the temporary closure of the Abuja airport for six weeks to carry out major repairs and maintenance works. This resulted in the cancellation of major events that were scheduled to take place at the hotel before, during and immediately after the period of the closure. In addition, foreign delegations cancelled key visits due to the absence of the President from the country for over 100 days in the year. These exogenous factors negatively affected our performance.

On a positive note, the IMF has forecast a growth of 2.1% for Nigeria (World Bank: 2.5% and Fitch Ratings: 2.6%) while 2018 budget was made on 3.5% GDP growth. However, the success and level of economic activities in the year will depend a lot on the timely passage and implementation of 2018 budget. In addition, despite the Federal Government's attempt at diversification, the economy is still largely oil dependent and will be impacted by global oil prices and stability in production. Other key determinants of growth include consistent policy direction, transparency and liquidity of the foreign exchange market as well as structural reforms proposed by the Government.

OVERVIEW OF FINANCIAL PERFORMANCE AND KEY MILESTONES

Transcorp Hotels Plc has sustained its profitable position in spite of the economic headwinds. In 2017, the Company made a turnover of N12.9billion (2016: N14.6billion), Gross Profit of N9.5billion (2016: N10.9billion) and Profit before tax of N3.6billion (2016: N5.2billionn). Profit after Tax in 2017 was N2.6billion (2016: N3.7billion). Revenue lost during the airport closure, cancellation of key foreign delegations and fewer numbers of rooms for sale due to the ongoing refurbishment of our flagship hotel in Abuja affected the Company's performance during the year.

Transcorp Hilton Abuja has remained the leading provider of excellent luxury hospitality services and the ultimate guest experience in Africa.

The Company was the recipient of the following awards:

- 2017 TripAdvisor Travellers' Choice™ awards for Hotels
- 2017 Seven Stars Luxury Hospitality and Lifestyle Awards
  - Signum Virtutis (Seal of Excellence) in the Hotels and Resorts Category
  - Leader in luxury hospitality innovation in Nigeria
- World Luxury Restaurant Award 2017
  - Oriental Restaurant was the winner in the Asian cuisine category for the African continent
- 2017 World Luxury Hotel Awards
  - Best Luxury Contemporary Hotel (Nigeria) and
  - Best Luxury City Hotel (West & Central Africa).
- World Travel Awards 2017 in five categories including Africa's Leading Business Hotel for the third consecutive year.
- PEARL Awards
  - Sectoral Leader in the Nigerian Capital Market for Services (Hotels Sector)

During the year under review, Transcorp Hotels also retained an investment grade credit rating for the Company and the bonds.

Global Credit Rating Co. (GCR):
- Long Term – A- (NG)
- Short Term – A2(NG)
- Outlook - Stable Agusto & Co.: Bbb
- Outlook - Stable

Transcorp Hotels Calabar also achieved impressive results with Profit Before Tax of N90million, which is an improvement over prior year Profit Before Tax of N33million. In our award-winning tradition, Transcorp Hotels Calabar was recognized by the Cross River State Safety Commission as the Best Safety Compliant Hotel in 2017 and also won Jumia Excellence Award.

DIVIDEND

In appreciation of the support and faith of our esteemed Shareholders in our Company, the Directors have recommended for your approval a dividend of 12.45kobo per share.

CORPORATE GOVERNANCE

Transcorp Hotels Plc attained the Corporate Governance Rating System (CGRS) certification administered by the Nigerian Stock Exchange in conjunction with The Convention of Business Integrity (CBI) having surpassed the minimum threshold of 70%. The Company has persisted in implementing sound governance practices that ensure that we operate profitably and responsibly while enhancing accountability to our valued stakeholders.

OUTLOOK FOR 2018

2018 portends to be interesting being a pre-election year for the 2019 general elections. We intend to improve our revenue by adopting innovative strategies that will take advantage of potential increase in economic and political activities.

We project over 70% occupancy and an average room rate in excess of N80,000 for our flagship hotel in Abuja and 65% occupancy at an approximately N20,000 Average Room Rate for our hotel in Calabar.

In addition, the ongoing renovation of the rooms and external works at Transcorp Hilton Abuja would be completed by third quarter of 2018. This will further enhance the exceptional customer experience the Company offers its esteemed guests.

CONCLUSION

2017 was a challenging year for the country as a whole and our business in particular. We have recorded huge strides with the upgrade of Transcorp Hilton Abuja in keeping with our promise to stakeholders to build Africa's choice hospitality assets. The Company's achievements have been duly recognised globally as evidenced in the several prestigious awards.

My appreciation goes to you our esteemed shareholders, for your steadfast support towards achieving our shared goals of building and operating Africa's choice hospitality assets. Our regulators have provided invaluable oversight. We are convinced that with our experienced Board members and Management, dedicated team members, responsive guests and our award-winning brand, we will continually deliver on our core values of enterprise, execution and excellence.

Thank you Ladies and Gentlemen.

Olorogun O'tega Emerhor, OON
Chairman, Board of Directors

CEO'S REPORT

Distinguished Ladies and Gentlemen, it is with great pleasure that I welcome you to the fourth (4th) Annual General Meeting of your Company, Transcorp Hotels Plc. Below are the financial and operating results for the year ended 31st December 2017.

ECONOMIC AND SECTORAL OVERVIEW

Transcorp Hotels achieved a remarkable feat considering the unexpected shocks it experienced in 2017. The shocks include the impact of the 6-week airport closure on the hotels operations and the closure of some floors for upgrade in the hotel, among many others. In spite of these, the Company was able to operate profitably during the period.

The biting inflation and volatile foreign exchange rates provoked escalating costs and made the harsh business environment even more unpredictable.

However, as the Government commenced implementation of the structural reforms outlined in its Economic Recovery and Growth Plan 2017–2020 (ERGP), the economy started to witness growth in the second half of 2017 and we hope consistency in the implementation of the ERGP would strengthen economic performance further in the medium term.

OPERATING RESULTS AND FINANCIAL PERFORMANCE REVIEW

Revenue

Gross revenue for the year was N12.9billion (2016:N14.6billion). The reduction in business activities occasioned by the closure of Abuja Airport and closure of at least 3 floors on the hotel due to the ongoing renovation affected revenue negatively.

Profit

The Company's Gross Profit was N9.5Billion (2016:N10.9billion). Profit Before Tax was N3.6billion (2016: N5.2billion) while the Company's Profit After Tax for the year was N2.6 billion (2016: N3.7billion).

Balance Sheet

Total assets grew to N98billion (2016:N88billion) as a result of the addition to fixed assets from the upgrade of the hotel. In same vein, total liabilities increased by N7billion to N43billion in 2017 as the company sourced additional funding for the renovation.

Key Business Achievements in 2017 Operations

Transcorp Hilton Abuja, as the premier destination for high profile visits, successfully hosted the ECOWAS Head of Government meeting, many other foreign delegations and global corporate leaders during the year under review.

Global standards in service delivery propelled Transcorp hotels to retain its market leadership in luxury hospitality services and the hotel was able to achieve occupancy of 63% while Transcorp Hotels Calabar had occupancy of 57%.

In line with our core values of enterprise, execution and excellence, we closely monitored our operational costs without sacrificing on quality of our services. Room rates and prices for our food, beverage and ancillary revenue sources were periodically reviewed in keeping with our superior offerings.

Transcorp Hotels Calabar has sustained its profitable position with a Profit Before tax of N90million and Profit After Tax of N60million. This was the outcome of the successful strategies put in place to boost revenue and minimize running expenses in the hotel.

CORPORATE GOVERNANCE

In our usual tradition of excellence, Transcorp Hotels Plc has been certified by the Nigerian Stock Exchange having exceeded the base requirement of the Corporate Governance Rating System (CGRS.) In keeping with international best practice, the Company has consistently strengthened its governance structure and internal controls to further sharpen our business ethics, transparency and integrity for the benefit of our esteemed shareholders.

PROJECTS

Transcorp Hilton Abuja

Upgrade of the Transcorp Hilton is progressing with over 60% completion. The upgraded rooms have been included in our room inventory while the remaining rooms and the external areas currently under construction will be completed in the third quarter of 2018.

The refurbished hotel elevators have been fitted with additional security features to safeguard the privacy and safety of our valued guests. Completion of the remaining elevators is on schedule for April 2018.

Driver's village and Shehu Shagari Way gate-house have been opened for operations. Work on the other external areas is progressing steadily - Upgrade of the Aguiyi Ironsi Gatehouse and the realignment of associated road networks and car parks are also on schedule for completion in 2018.

The preliminary work for construction of a 5,000-seater Conference facility is ongoing as tenders for construction works have been completed and preferred contractor selected. We are currently engaging with preferred contractor on value engineering initiatives to optimise cost prior to construction.

Transcorp Hilton Lagos

Foundation piling for the hotel complex has been concluded. Ratification of the title documents for additional plots acquired was recently concluded following prolonged delays in receiving federal approval. We will now follow through the process of obtaining final building approvals on the completed designs.

Transcorp Hilton Port Harcourt

Land acquisition and clearing of the property have been concluded. We are in the process of completing the schematic design of the hotel, while processing necessary approvals for the development. All title documents to the properties have been obtained. We have also intentionally not fast tracked the process for the construction of this hotel as we hope for more improvements in the economic fundamentals, especially the foreign exchange rates, for better financial feasibility.

Awards & Recognition

World Travel Awards 2017

Transcorp Hotels Plc won several awards and for the fifth year in a row, the hotel emerged as the proud recipient of five prestigious awards at the 24th World Travel Awards:

- Africa's Leading Business Hotel
- Nigeria's Leading Business Hotel
- Nigeria's Leading Hotel
- Nigeria's Leading Hotel Suite (the Presidential Suite)
- Nigeria's Leading MICE Hotel

The World Travel Awards brand is recognised globally as the ultimate hallmark of industry excellence.

Trip Advisor

Transcorp Hilton Abuja once again won the 2017 TripAdvisor Travelers' Choice awards for Hotels. TripAdvisor awards highlight the world's top properties based on millions of reviews and opinions sourced from travellers around the globe.

2017 Seven Stars Luxury Hospitality and Lifestyle

At the Seven Stars Luxury Hospitality and Lifestyle Awards, Transcorp Hilton received the Signum Virtutis "The Seal of excellence" in the Hotels and Resorts Category of the 2017. The hotel was also conferred as the leader in luxury hospitality innovation in Nigeria.

Transcorp Hilton Abuja, is the first and only Nigerian hotel to win the awards for two years running.

PEARL Awards

Transcorp Hotels Plc won the PEARL award for Sectoral Leader in the Nigerian Capital Market for Services (Hotels Sector). The PEARL Awards Nigeria, is one of Nigeria's foremost award recognition bodies, focused on rewarding corporate excellence in local institutions and promoting healthy competition amongst quoted companies through growth, diversification and innovation; ultimately leading to improved performance on the Nigerian Stock Exchange.

OUTLOOK FOR 2018

We are determined to conclude the upgrade of Transcorp Hilton Abuja in 2018 and maintain occupancy in excess of 70% even while the upgrade is ongoing. The transformation we are bringing to bear in the hotel will guarantee our leadership position and indeed better pricing. In addition, we project occupancy of 65% in Transcorp Hotel Calabar.

We will consistently apply innovative approaches towards enhancing the visibility and profitability of Transcorp Hotels Calabar.

For the rest of the project works we have in Abuja, Lagos and Port Harcourt, we hope to intensify progress in the execution but none of these will be completed in the year 2018.

CONCLUSION

2017 was quite challenging for the Company. However, we were able to weather the storm due to the unrelenting support of our valued shareholders, investors, competent Board and Management and dedicated workforce. Hilton WorldWide has been outstanding in providing world-class technical support. With your continued support, Transcorp Hotels will transcend the shores of Africa to become a global leader in hospitality in the nearest future.

I thank you all.

Valentine Ozigbo
Managing Director/CEO

Etienne Gailliez, GM Transcorp Hilton Abuja and Valentine Ozigbo, MD/CEO Transcorp Hotels Plc welcome President Muhammadu Buhari to the hotel.

Olorogun O'tega Emerhor, Chairman Transcop Hotels Plc, Dr. Chris Ngige, Honorable Minister of Labour& Employment and Mr. Tony O. Elumelu, Chairman Transcorp Nigeria Plc at the 30th anniversary cerebration of Transcorp Hilton Abuja.

Mr. Tony O. Elumelu, Chairman Transcorp Nigeria Plc and Dr. Emmanuel Ibe Kachikwu, Honourable Minister of State, Petroleum Resources at the 30th anniversary cerebration of Transcorp Hilton Abuja.

Olorogun O'tega Emerhor, Valentine Ozigbo, Alhaji Abdulquadr Bello and Okaima Ohizua at the Board Meeting of Transcorp Hotels Plc.

Board Members of Transcorp Hotels Plc join the Management Team of Transcorp Hilton Abuja to celebrate the hotel's industry awards.

Olorogun O'tega Emerhor, Chairman Transcop Hotels Plc and Valentine Ozigbo, MD/CEO, Transcorp Hotels Plc.

Chairman Transcorp Nigeria Plc, Tont O. Elumelu (center) flanked by Transcorp Hotels Plc Board Members at the 30th anniversary celebration of Transcorp Hilton Abuja.

Corporate Governance Rating System (CGRS) Fiduciary Assessment Certification by NSE for Transcorp Hotels Plc and its Directors who passed the Fiduciary Assessment Certification Tests (FACT).

Secondary students being given a head start in hospitality careers during Careers@Hilton Youth in Hospitality Week.

Transcorp Hilton Abuja Team with pupils of Maitama Model Primary School at the commissioning of classrooms renovated by the hotel's Team Members.

Children take over the Hilton Lobby Security.

Okaima Ohizua, Executive Director Transcorp Hotels Plc led Transcorp Hilton Abuja Team to join a charity walk to mark the World Cancer Day.

Valentine Ozigbo, MD/CEO Transcorp Hotels Plc with girl child education advocate Zuriel Oduwole at the premiere of her film 'Follow the Ball'.

Etienne Gailliez, GM Transcorp Hilton Abuja demonstrates the process of recycling used soaps under the 'Soap for Hope' project in partnership with ACE Charity.

The CEO of Chanja Datti, Funto Borofice briefs the Transcorp Hilton Abuja Team during the commissioning of a workers' shed donated by the hotel.

CORPORATE GOVERNANCE REPORT

Transcorp Hotels Plc ("the Company") is focused on creating long-term value and sustainability by institutionalizing a culture of excellence that is entrenched in the Company's operations. The Board of Directors sets the tone at the top and is therefore committed to the principles and practice of good Corporate Governance. During the year ended 31 December 2017, the Company complied with the provisions of the Corporate Governance Code issued by the Securities and Exchange Commission (SEC Code), its Board and Board Committees Governance Charter and all Company policies, rules and regulations of its Regulators.

1. Overview

In the year 2017, the Board considered and approved the formulation of the following new policies to strengthen corporate governance and for more efficient operations:

- Enterprise Risk Management Framework
- Sustainability Policy
- Security Audit Framework

The new Enterprise Risk Management Framework was put in place to address various dimensions of risk exposure of the Company.

The existing governance policies approved by the Board of Directors remained operational and were revised where necessary throughout the period under review. Some provisions of the Board and Board Committees Governance Charter, the HR Policy and the Cash Management Policy were reviewed in 2017.

The Board is effectively supported by its committees namely, the Board Audit & Governance Committee (BAGC) and the Finance & Investment Committee (FIC).

2. Board of Directors

2.1 General

The Board is composed of highly accomplished and experienced individuals with diverse backgrounds from both the private and public sectors who are conversant with their oversight functions.

The composition of the Board of Directors as at year ended December 31, 2017 was as follows:

- The Board is a healthy mix of Non-executive, Independent Non-Executive and Executive Directors.
- The Board comprises of nine (9) Directors – seven (7) Non-Executive Directors (including one (1) Independent Director); one of the Non-executive Directors has an alternate Director; and two (2) Executive Directors, the MD/CEO and the ED, Customer Service. In February 2018, the Board appointed Alhaji Abdulkadir Jeli Bello as a Non-executive Director of the Company.
- In accordance with the provisions of the Companies and Allied Matters Act, Cap C20, Laws of the Federation of Nigeria 2004 (CAMA), SEC Code and the Board Governance Charter of the Company, the Chairman of the Board of Directors is a non-executive director, he does not sit on any Board Committee or Subsidiary Board and he presides over Board and general meetings.

In accordance with its 2017 Board Calendar, the Board met five (5) times in the year 2017. The details of Directors' attendance at Board meetings are disclosed on page 23 of the Annual Report.

The Board establishes formal delegations of authority. The Empowerment Policy defines the limits of Management's powers and authority and delegates to Management certain powers to run the day-to-day operations of the Company. Any responsibility not delegated remains with the Board and its Committees.

The Board held a formal strategy session at the end of the year. Key Performance Indicators (KPIs) were set and a formal strategy document was put in place. At year end, the performance of the Chairman, Company Secretary, Directors, Board Committees and the full Board was evaluated by an external consulting firm. Ratings and KPIs were also defined for the Board.

2.2 Membership of the Board

During the year under review, four changes occurred in the composition of the Board of Directors. The changes on the Board were at the request of the Federal Government in respect of its representation on the Board of the Company. The document authorizing this was also sighted. Two directors representing the Bureau of Public Enterprises (BPE) exited while two were appointed (one as an alternate director to the other). The details are as follows:

Resignations
1. Dr. Vincent Akpotaire (former Acting Director General, BPE) – April, 2017
2. HRH Baba Mohammed (Capital Markets, BPE) – August 2017

Appointments
1. Mr. Alex Okoh (Director General BPE) – April, 2017
2. Mr. Yusuf Adamu (Alternate Director to Mr. Alex Okoh) - November, 2017

Consequently, the Board of Directors of the Company comprised the following as at year end 2017:

S/N	Non -executive Director	Date appointed to the Board	Date(s) re-appointed/ re-elected	Comments
1.	Olorogun O'tega Emerhor, OON	July, 2009	April, 2015	Chairman
2.	Mr. Valentine Ozigbo	October, 2011	October, 2017	MD/CEO
3.	Ms. Okaima Ohizua	June, 2013	N/A	Executive Director, Customer Service
4.	Mr. Adim Jibunoh	March, 2016	N/A	FIC Chairman & Group President/CEO
5.	Mr. Emmanuel N. Nnorom	January, 2014	N/A	BAGC Chairman
6.	Mr. Peter Elumelu	November, 2014	N/A	Non -Executive Director
7.	Mr. Alex Okoh	April, 2017	N/A	BPE Director General (Mr. Yusuf Adamu, an Alternate Director to Mr. Okoh, was appointed in November 2017)
8.	Dr. Bakari Wadinga	October, 2016	N/A	MOFI Representative
9.	Hajia Saratu Umar	October, 2016	N/A	Independent Director

N/A means "Not applicable".

2.3 Board Meeting Attendance

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended	Apology
Olorogun O'tega Emerhor, OON	5	5	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	None
Mr. Valentine Ozigbo	5	5	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	None
Ms. Okaima Ohizua	5	5	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	None
Mr. Adim Jibunoh	5	5	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	None
Mr. Emmanuel N. Nnorom	5	5	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	None
Mr. Peter Elumelu	5	5	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	None
Mr. Alex Okoh (Appointed April 2017)	3	3	28 April 2017, 12 July 2017, 30 November 2017	None
Dr. Bakari Wadinga	5	4	15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	8 February 2017
Hajia Saratu Umar	5	5	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017, 30 November 2017	None
HRH Baba Mohammed (Resigned August 2017)	4	4	8 February 2017, 15 March 2017, 28 April 2017, 12 July 2017	None
Dr. Vincent Akpotaire (Resigned April 2017)	2	2	8 February 2017, 15 March 2017	None

3. Board Committees & Executive Management Committee

3.1 Board Audit & Governance Committee (formerly Nominations & Governance Committee)

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

- Advise the Board on corporate governance standards and formulate policies.
- 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 heads of departments that make up the Executive Management Committee
- Review and evaluate the skills of members of the Board.
- Recommend to the Board compensation for all staff of the Company.
- Review and approve all human resources and governance policies for the Company.
- 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.

During the year, the Committee, was renamed and reconstituted. It considered Company and hotel staff matters, board and staff remuneration, board nominations and resignations, policy reviews and formulation, Board performance evaluation, strategy, training and audit matters in line with its mandate and made recommendations to the Board. Effective 8 November 2017, the composition of the reconstituted Committee is as follows:

1. Mr. Emmanuel N. Nnorom - Chairman
2. Mr. Adim Jibunoh - Member
3. Mr. Peter Elumelu - Member
4. Dr. Bakari Wadinga - Member

The BAGC met four (4) times in 2017. The table below shows the frequency of meetings of BAGC and members' attendance:

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended	Apology
Mr. Emmanuel Nnorom	4	4	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017	None
Mr. Adim Jibunoh	4	4	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017.	None
Mr. Peter Elumelu	4	4	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017.	None
HRH Baba Mohammed (Resigned August 2017)	3	3	7 February 2017, 27 April 2017, 11 July 2017.	None
Dr. Bakari Wadinga	4	3	27 April 2017, 11 July 2017, 8 November 2017.	7 February 2017

3.2 Finance and Investment Committee

The Terms of reference 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 Company.
- 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 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 Company.
- Monitor and evaluate on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.
- Review the budget of the Company and make recommendations to the full Board for approvals above its limit;
- Monitor performance of the Company's budget against actual results.
- Review from time to time the capital (debt/equity) requirements of the Company and recommend to the Board for approval.

During the year, the Committee amongst other things, considered and approved the Company's budget, financial performance against budget, quarterly financial results, forecasts, credit facilities from financial institutions, tax related matters, funding requirements for ongoing projects, utilization of funds and bond proceeds, risks and mitigation strategies, key investments, proposed investment opportunities and more. The Committee took certain decisions on the above-mentioned matters and made recommendations to the Board for approval where necessary.

The Committee comprises:

1. Mr. Adim Jibunoh - Chairman
2. Mr. Emmanuel N. Nnorom - Member
3. Mr. Valentine Ozigbo - Member
4. Ms. Okaima Ohizua - Member
5. Mr. Alex Okoh - Member
6. Mr. Peter Elumelu - Member

The FIC met five (5) times in 2017. The table below shows the frequency of meetings of the FIC and members' attendance:

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended	Apology
Mr. Adim Jibunoh[1]	2	2	11 July 2017, 8 November 2017.	None
Mr. Emmanuel Nnorom	5	5	7 February 2017, 27 April 2017, 16 May, 2017, 11 July 2017, 8 November 2017.	None
Mr. Valentine Ozigbo	5	5	7 February 2017, 27 April 2017, 16 May, 2017, 11 July 2017, 8 November 2017.	None
Ms. Okaima Ohizua	5	5	7 February 2017, 27 April 2017, 16 May, 2017, 11 July 2017, 8 November 2017.	None
Mr. Alex Okoh (Appointed April 2017)	3	1	16 May, 2017.	11 July 2017, 8 November 2017.
Mr. Peter Elumelu	5	5	7 February 2017, 27 April 2017, 16 May, 2017, 11 July 2017, 8 November 2017.	None
Dr. Vincent Akpotaire (Resigned April 2017)	1	1	7 February 2017	None

3.3 The Statutory Audit Committee

In addition to its statutory functions under CAMA and its functions outlined in the SEC Code of Corporate Governance, the Statutory Audit Committee (SAC) is broadly empowered to, amongst other things; review the Company'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, approves the audit Plan and the Internal Audit Charter is properly constituted. It is chaired by a shareholder and has three shareholders and three non-executive directors as members. Following the exit of HRH Baba Mohammed, a vacancy existed on the SAC as at year ended 2017. The Committee is empowered to engage the services of independent consultants in the general discharge of its duties.

The Committee members include:[2]

1. Mr. Sanusi Mudasiru – Chairman
2. Mr. Adim Jibunoh – Member
3. Hajia Saratu Umar – Member
4. Mr. Akaninyene Obot – Member
5. Mr. Olusegun Owoeye – Member

Mr. Sanusi Mudasiru
Chairman, Shareholders' Representative

Mr. Adim Jibunoh
Member, Board Representative

Hajia Saratu Umar
Member, Board Representative

Mr. Akaninyene Obot
Member, Shareholders' Representative

Mr. Olusegun Owoeye
Member, Shareholders' Representative

[1] Mr. Adim Jibunoh was appointed chairman of the FIC following his appointment as President/CEO of the Company Plc effective June 1, 2017.

[2] Following the exit of HRH Baba Mohammed, the membership of the SAC reduced to 5 members.

The table below shows the frequency of meetings of the SAC and members' attendance.

Directors	No. of Meetings	No. of Meetings Attended	Dates of Meetings Attended	Apology
Mr. Sanusi Mudasiru	4	4	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017.	None
HRH Baba Mohammed (Resigned August 2017)	3	3	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017.	None
Mr. Adim Jibunoh	4	3	7 February 2017, 27 April 2017, 11 July 2017.	8 November 2017
Hajia Saratu Umar	4	4	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017.	None
Mr. Akaninyene Obot	4	4	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017.	None
Mr. Olusegun Owoeye	4	4	7 February 2017, 27 April 2017, 11 July 2017, 8 November 2017.	None

3.4 Executive Management Committee

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

- Articulating the strategy of the Company and recommending same to the Board for approval.
- Discussing strategic matters and their impact on the Company's investment portfolio.
- 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.

4. Internal Control and Risk Management

The Board, Management and staff of Transcorp Hotels Plc take ownership and responsibility for safeguarding the Company's assets through a control process designed to provide reasonable assurance regarding the achievement of objectives in operations, reporting and compliance.

Our internal control process is:

Effected by people—not merely about policy and procedure manual put in place, but about people and the actions they take at every level of the Company to affect internal control.

Able to provide reasonable assurance— to the Company's senior management and board of directors through an independent and effective Internal Audit Function.

Transcorp Hotels Plc has an established internal audit function which reviews internal controls on an ongoing basis. The function is headed by a Chief Internal Auditor who reports administratively to the CEO and functionally to the Audit Committee.

A risk-based audit plan, which provides reasonable assurance over key business processes and business risks facing the Company, is approved annually by the Statutory Audit Committee in line with IIA standards.

A procedure consisting of ongoing tasks and activities—a means to an end, not an end in itself. It is flexible in application.

Designed to Manage Risk of failure to achieve business objectives and can provide reasonable and not absolute assurance against misstatement or loss.

The Company's activities are exposed to a wide range of risks that could impact on its operational and financial performance. All risks are documented in a Risk Register and reviewed annually to identify new and emerging risks. Mitigating measures taken to manage those risks are reviewed and reported to the Board Audit and Governance Committee. In 2017 the Board approved Transcorp Hotels Plc's Enterprise Risk Management Framework for implementation.

5. Relationship with Shareholders

The Company maintains continuous communication with its shareholders all year round. This enables them to understand our business, financial condition and operating performance and trends. Apart from our annual report, financial statements, market updates, regulatory disclosure requirements, media statements and investor relations conferences and calls, the Company website provides information on a wide range of matters for all stakeholders and provides a complaints management procedure and whistleblowing process with anonymous feedback options.

6. Investor Relations

The Company has an Investors Relations Unit under the Finance department which holds regular Investors conferences to brief all stakeholders on operations of the Company. We also regularly brief the regulatory authorities, and file regulatory returns and announcements which are usually accessible to the shareholders via the stock market news.

7. Directors' Remuneration Policy

The Board's remuneration policy is structured taking into account the environment in which it operates and the results it achieves at the end of each financial year. It is reviewed when necessary to meet economic realities and includes the following;

Non-executive Directors

Annual Fees & Allowances
Non–executive Directors earn N2,000,000 as Directors' fees annually while the Chairman earns N3,000,000. Various components of remuneration are payable quarterly, once or half yearly.

Board Meetings
Non-executive Directors earn N150,000 sitting allowances per meeting while the Chairman earns N200,000.

Committee Meetings
Non-executive Directors earn N100,000 sitting allowances per meeting, while the Chairman earns N150,000. Directors are sponsored for trainings that they require to enhance their duties to the Company when the funds are budgeted and available.

Executive Directors
The remuneration policy for executive directors considers various elements, including 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 annually and appraised annually by the Group and Company Boards.

DIRECTORS' REPORT

The Directors present their annual report on the affairs of Transcorp Hotels Plc ("the Company") together with the audited financial statements for the year ended 31 December 2017, to the members of the Company. This report discloses the state of the Company.

Principal Activities

The Company is engaged inhospitality business.

Results

The Company's detailed results for the year ended 31 December 2017 are set out on pages 46 to 96 of this report. The summarized results are presented below:

	Group		Company	
	Dec 31 2017	**Dec 31 2016**	**Dec 31 2017**	**Dec 31 2016**
	N'000	**N'000**	**N'000**	**N'000**
Revenue	13,843,470	15,311,879	12,962,580	14,599,553
Gross Profit	10,080,339	11,421,986	9,524,493	10,934,184
Total Comprehensive income for the year	2,681,733	4,095,404	2,639,997	3,733,593
Earnings Per Share (Kobo)			35	49

Dividend

The Directors recommend a final dividend of **12.45kobo per share** of the outstanding ordinary shares of 7,600,403,900 to be paid to shareholders of the company for the period ended December 31, 2017.

Directors' Shareholding

The directors who held office during the year, together with their direct and indirect interests in the shares of the Company, were as follows:

		31-Dec-17	31-Dec-17	31-Dec-16	31-Dec-16	Companies represented by indirect holding
S/N	**NAME OF DIRECTORS**	**DIRECT**	**INDIRECT**	**DIRECT**	**INDIRECT**	
1	Ologun O'tega Emerhor	N/A	6,344,100,000	N/A	6,344,100,000	Transnational Corporation of Nigeria Plc
2	Emmanuel Nnorom	N/A	1,000,000	N/A	1,000,000	Vine Foods Limited
3	Peter Elumelu	100,000	N/A	100,000	N/A	N/A
4	Alexander Okoh	10,500	N/A	N/A	N/A	N/A
5	Saratu Umar	N/A	N/A	N/A	N/A	N/A
6	Bakari Wadinga	N/A	837,900,000	N/A	837,900,000	Ministry of Finance Incorporated
7	Adim Jibunoh	N/A	N/A	N/A	N/A	N/A
8	Valentine Ozigbo	1,000,000	N/A	1,000,000	N/A	N/A
9	Okaima Ohizua	50,000	N/A	50,000	N/A	N/A

Directors' Interests in Contracts

None of the directors notified the Company of any interest in contracts for the purpose of section 277 of the Companies and Allied Matters Act, of their direct or indirect interest in contracts or proposed contracts with the Company during the year.

Alternate Directorship

There was one alternate directorship during the year under review.

Shareholding Analysis
The shareholding structure of the Company as at 31 December 2017 was as follows:

RANGE ANALYSIS AS AT 31						
Range	**No. of Holders**	**Holders %**	**Holders Cum.**	**Units**	**Units %**	**Units Cum.**
1 - 999	200	13.10	200	45, 428	-	45,428
1,000 - 9,999	823	53.90	1,032	1,861,585	0.02	1,907,013
10,000 - 99,999	397	26.00	1,429	8,498,161	0.11	10,405,174
100,000 - 999,999	91	5.96	1,520	13,159,226	0.17	23,564,400
1,000,000 - 9,999,999	9	0.59	1,529	24,889,500	0.33	48,453,900
10,000,000 - 99,999,999	3	0.19	1,532	81,000,000	1.07	129,453,900
100,000,000 - 999,999,999	3	0.19	1,535	1,126,850,000	14.83	1,256,303,900
1,000,000,000 - 9,999,999,999	1	0.07	1,536	6,344,100,000	83.47	7,600,403,900
Grand Total	**1,527**	**100%**		**7,600,403,900**	**100%**	

Share Capital History

Date	Authorised Increase Units	Authorised Cummulative Units	Issued Increase Units	Issued Cummulative Units	Consideration Units
12/07/1994	10,000,000	10,000,000	5,000,000	5,000,000	Cash
13/01/2014	20,000,000	30,000,000	16,000,000	21,000,000	Cash
13/03/2014	7,470,000,000	7,500,000,000	3,570,000,000	3,591,000,000	Bonus Issue
13/03/2014	7,500,000,000	15,000,000,000	3,591,000,000	7,182,000,000	Stock Split
11/11/2014	-	15,000,000,000	418,403,900	7,600,403,900	Cash

Shareholding of more than 5%
According to the register of members at as at 31 December 2017, the following had more than 5% shareholding in the Company:

S/N	Name	Holdings	%
1	Transnational Corporation of Nigeria Plc	6,344,100,000	83.47
2	Ministry of Finance Incorporated	837,900,000	11.02

Fixed Assets
Information relating to changes in the fixed assets of the Company is given in Note 13 to the financial statements.

Employment of Physically Challenged Persons
The Company has a policy of fair consideration of job applications by physically challenged persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination against such persons in the recruitment, training and career development of its employees.

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

Prohibition of Insider Trading

The Company's Code of Conduct (in accordance with Rules of The Nigerian Stock Exchange) prohibits employees and Directors from insider trading, dealings and stock tipping when in possession of price-sensitive, non-public information relating to the Company's business and from sharing or using such insider information. The Company regularly notifies the market, board and management of closed periods and no insider trading was recorded during the year 2017.

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.

Donations and Gifts

The Group did not donate any sum in the current year (2016: nil).

Auditors

Messrs. PricewaterhouseCoopers will not be continuing as auditors due to regulatory requirements for auditor rotation.

The Board of Directors recommends the appointment of Messrs Ernst & Young as the auditors for the Group. This recommendation shall be considered by the shareholders at the next Annual General Meeting (AGM).

BY ORDER OF THE BOARD

Mrs. Helen Iwuchukwu
Group Company Secretary
FRC/2015/NBA/00000012716
13 February 2018

SUSTAINABILITY REPORT

Transcorp Hilton Abuja Team with pupils of Maitama Model Primary School at the commissioning of classrooms renovated by the hotel's Team Members

Building a Sustainable Future

Our sustainability strategy focuses on making positive contributions to society while building our businesses by growing our brands, through continuous stakeholder engagement, good governance, risk management, employment equity/diversity and fair trade relationships with vendors and suppliers.

As a company, we have made a clear commitment to Corporate Social Responsibility (CSR) as well as business development programmes; and see all associated initiatives as being an essential element for the growth of our business.

In 2017, we drove our sustainability goals through three (3) interdependent approaches and areas:

- Governance and Ethics
- People
- Environment and Community Investment

GOVERNANCE AND ETHICS

We believe that good governance and ethics contribute to our performance and safeguard our reputation, which is why we continue to invest in making our programme more engaging and efficient.

R-L Etienne Gailliez, GM Transcorp Hilton Abuja, Omorinsola Sofola, HR Director Transcorp Hilton Abuja, Valentine Ozigbo MD/CEO Transcorp Hotels Plc, Dr. Chris Ngige Hon. Minister of Labour & Employment, Bolaji Adebiyi, Permanent Secretary, Ministry of Labour & Employment, Okaima Ohizua, Executive Director, Transcorp Hotels Plc and a Director in the ministry when the Minister conducted an inspection of the hotel for occupational health and safety.

Transcorp Hotels Plc is committed to high ethical and governance standards, with the Board of Directors setting the tone at the top.

To ensure its continued commitment to good governance practices, the Company has put in place various policies, processes and avenues to enable staff and other stakeholders report any unethical activity affecting it.

Policies:

- *Sustainability*
  The framework dedicated to the sustainable development of the Company and the community where we operate.

- *Code of Conduct:*
  A dedicated policy document that codifies the Company's values, provides guidance on ethical issues and fosters a culture of honesty and accountability. This policy provides clearly the Company's stand on Corruption/ Bribery, money laundering and conflict of interest issues.

- *Complaints Management*
  A dedicated process for the handling and resolution of complaints found on the Company's website.

- *Whistle blowing Procedure*
  A dedicated process for reporting suspected violations of the Company's policies or national laws and regulations. This policy has been placed on the Company's website.

- *Enterprise Risk Management*
  A framework dedicated to the identification, assessment, treatment and monitoring of the Company's risk.

Stakeholders Engagement

The Company has put in place various platforms for stakeholder engagement and interaction, some of which are listed below:

- *Investors' Conference*
  Periodic meetings held with institutional shareholders to discuss the Company's performance.

- *Annual General Meeting*
  Annual meeting held with shareholders to discuss the business and its performance.

- *Website*
  Through the "Contact us" portal on the Company's website *(http://transcorphotelsplc.com/contact/)*
  At the Company's website, stakeholders have access to the Complaint Management Procedure as well as the Company's Whistle blowing Procedure.
  Details of the whistle blowing channels are:
  Telephone: 0703 4067 924
  Email:
  whistleblower@transcorphotelsplc.com

- *Social Media*
  We are also active on social media platforms; Facebook, Google plus, Instagram, Twitter and LinkedIn.

PEOPLE

Our people are key to our success and the achievement of our strategic objectives.

Employee

The wellbeing of all employees is our priority. At Transcorp Hotels Plc, all employees and prospective employees are treated fairly and equally regardless of their family status, race, colour, nationality, ethnic, religious belief, age, physical or mental disability, gender or any such factor.

The Company has a policy of fair consideration of job applications by ***physically challenged persons*** having regard to their abilities and aptitude. The Company's policy prohibits discrimination against such persons in the recruitment, training and career development of its employees. This is particularly evident in our hotel businesses which run large operations. In the past, when we had an incident of a hotel staff becoming physically challenged, every effort was made to ensure that their employment with the Company continued, and appropriate training and job function redeployments as appropriate were arranged for them; this remains the process. In the year under review, there were no such incidents.

Training Initiatives: Transcorp Hotels Plc understands the value of the continuous development of its staff, hence, training is carried out at various levels, group-wide, through in-house, local and international courses annually.

Health and Safety Initiatives: The Company provides training and awareness in health and safety management to help minimize harm to our stakeholders and business. Staff are trained to assess and respond appropriately to threatening situations at places of business and its environs.

Vendors and Suppliers

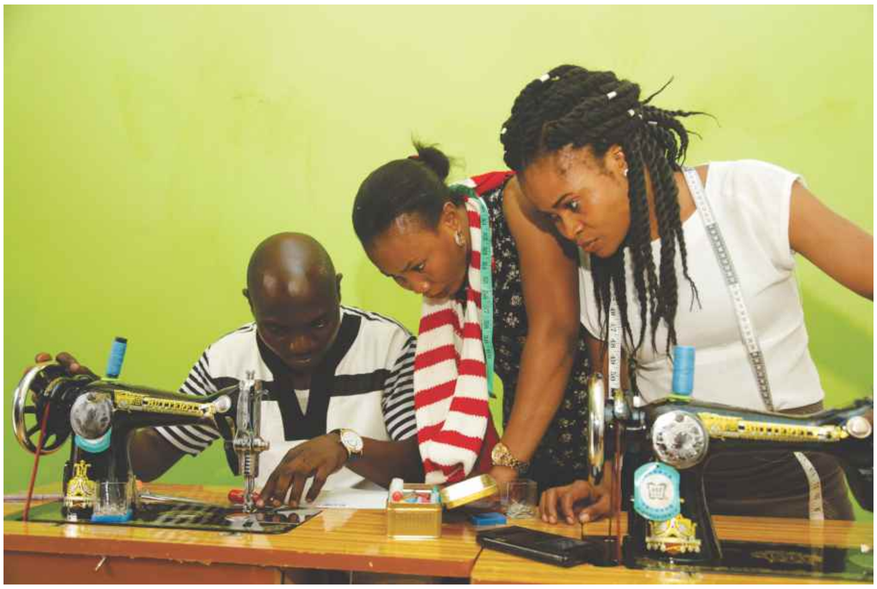
Transcorp Hotels Plc maintains an inclusive and robust procurement policy which enhances our corporate responsibility through continuous interaction with our suppliers and helping them improve in their sustainability and quality standards.

Purchasing decisions are made in a fair and impartial manner, are based upon competitive bidding, and follow a transparent and auditable vendor selection and management process.

ENVIRONMENT AND COMMUNITY INVESTMENT

At Transcorp Hotels Plc, we are passionate about our environment and community. We aim to positively contribute to the quality of our environment and address social issues that impact our business and are important to the communities where we live and work.

Collaborative Partnerships: Our work with the non- profit, ACE Charity Africa, has expanded our reach within the communities which we operate. Through this partnership, we have achieved various milestones in community development.



Interns of the Business Empowerment Program for Women taking practical lessons in sewing.

Community Investment:
Investing in the communities where we do business is at the core of the Company's sustainability strategy. Below are some of the opportunities where we had the privilege to serve our community:

a) Sponsorship of a week-long Career Fair Job and Job Internship Program for secondary school students as part of activities marking Hilton Worldwide Youth in Hospitality Month.

b) Kitchen Apprenticeship Program which trains young Nigerians the rudiments of cooking and kitchen management and moulds them into world class chefs. The Chef adjudged as the best at the end of the Program is offered employment in the Hilton chain.

c) Motivated by the need to create jobs for the teeming number of Nigerian youths, the "*Business Empowerment Program for Women*" was initiated with the primary objective to empower young local women with basic sewing, business start-up and management skills. We started with a re-purpose project whereby discarded linens are given a second life instead of sending them to the landfills. The lines are dyed with African patterns while the women are trained to acquire basic sewing skills them enables them to make children clothing, and amenity bags for our Guests, from the discarded linens. The essence of the program is to allow underprivileged young women acquire sewing skills (learn a trade) but also basics of running a small business (entrepreneurship and financial independence). At the end of the program, each of the women is offered a manual sewing machine and encouraged to become small entrepreneurs in their communities. This empowers the erstwhile unemployed young women and allows them to gain some independence.

d) Sponsorship of Abuja Metropolitan Music Society (AMEMUSO), an NGO that provides a platform for Nigerians to express their musical talents. The Society has produced a 50 person-strong choir that stages annually, the world-class musical concert, Operabuja.

e) Sponsorship of Art Exhibitions by Nigerian artists.

f) Sponsorship of young Nigerian comedians to showcase their talents and get them needed exposure.

g) Sponsorship of Nigerian theatre and performing artistes including the highly acclaimed "Wakaa the Musical".

h) Sponsorship of Nigerian musical artistes.

Other activities include:

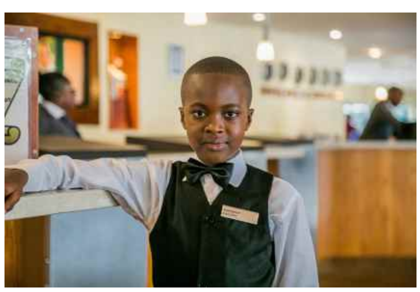
I) #KidsTakeOver – Children from local schools got to play leadership roles to help them fulfil their potential as part of activities marking Universal Children Day.

j) Paint For A Cause – Fundraising for a charity (educational projects)

Simon Vincent, President EMEA Hilton, Rudi Jergersbacher, President MEA, Hilton and Jan Vanderputten, Vice President Operations, AIO, Hilton and Etienne Gailliez, GM, Transcorp Hilton Abuja at the launch of the Business Empowerment Project for Women in partnership with ACE Charity.

Elvis Ekeke, Kitchen Artist tutors students of Durumi Community Secondary School the art of food carving during an excursion to the hotel.

Restaurant Hostess, Transcorp Hilton Abuja watches as a pupil of Maitama Model Primary School takes over the Hostess Desk to mark the International Children Day



Children take over the HiltonFront Desk.

Preserving Environment

- *Energy and Greenhouse Effect:* We reduced our impact on the environment by installing more efficient energy saving equipment as well as providing training for Team Members.

- *Water - Save Every Drop:* We worked hard to reduce our use of water through informing team members of best practices and installing water efficient equipment such as low-flow shower heads and taps.

- *Material Recycle:*
- Donation of old bed sheets which is recycled to make small gift bags.

- *NaijaBrics:* Collection and delivery of old newspaper to NaijaBrics for the production of Briquettes used for cooking which serves as an alternative to wood, kerosene or coal. This initiative not only preserves the environment, it also empowers the rural community women who sell the cooking briquettes.

- *Soap for Hope Project.* In November 2016, we launched 'Soap for Hope' a corporate social responsibility initiative to recover, recycle and donate used soap bars to the local community. With the aim of saving lives by promoting hygiene, 'Soap for Hope' is a tripartite partnership between Transcorp Hilton Abuja, Sealed Air Diversey and ACE Charity. The recycled soap bars are donated to communities which lack access to soap and sanitation, by the hotel's community partners, ACE Charity. An estimated seven million children in developing countries, including Nigeria, pass away every year due to diarrheal and respiratory diseases which can be prevented by a simple but effective practice: proper hand-washing with soap. However, for many families mired in poverty, a bar of soap can be an unaffordable luxury. With 'Soap for Hope' we continue to distribute thousands of soap bars to disadvantaged children and communities in Abuja and in the process help vulnerable people make a small sustainable living.

Corporate Social Responsibility
The Company extended its light and warmth to its community through the following:

a) Transcorp Hilton Abuja's Team celebrated the legacy of legendary Nelson Mandela on 18 July 2017 by turning out en masse and teaming up with ACE Africa Charity, our community partners, to renovate the classrooms, sanitize the environment and develop an horticultural garden at Durumi Community Primary School. The dilapidated school was given a new lease of life by our Team Members who were inspired by the life and times of Nelson Mandela to devote their time to serving humanity on Mandela Day;
b) Our Team continued to assist inmates of the IDP camp in Durumi district of Abuja with daily provision of lunch packs for school-age children in addition to donation of linens, toiletries and raw food items to the camp;
c) As part of the activities to celebrate the Hilton Worldwide "Global Month of Service", we renovated a block of 12 classrooms, the Day Care Center and the restrooms at Maitama Model Primary School;
d) Donation of 200 Pillows and bed sheets to the inmates of Suleja Prison;
e) Monthly donation of food items to the Daughters of Charity Hospital, Kubwa to assist in the care of People Living with HIV/AIDS;
f) As part of activities to mark the Earth Week, we partnered with ACE Charity to draw attention to the power of recycling waste. We repurposed used bath soaps into 600 new soap bars which we donated them to the pupils of a local school. 600 pupils went home with soaps to help in inculcating hygienic hand-washing habits in them;
g) To mark the "Global Week of Service", our Team of volunteers worked with ACE Charity to produce 100 bespoke dresses for the indigent children of Piyanko Village, a rural community in the outskirts of Abuja.

Awards and Recognitions
Transcorp Hotels Plc received the following awards 2017:

a) Trip Advisor Travellers' Choice Award - Trip Advisor Certificate of Excellence Award for Bukka Restaurant, Transcorp Hilton Abuja.
b) World Luxury Restaurant Award for:
   - Oriental Restaurant, Transcorp Hilton Abuja (Continental Winner, Asian Cuisine)
   - Country Winner, Luxury Contemporary Hotel
   - Regional winner, Luxury City Hotel
c) World Travel Award laurels in 5 categories;
   - Africa's Leading Business Hotel,
   - Nigeria's Leading Business Hotel,
   - Nigeria's Leading Hotel,
   - Nigeria's Leading MICE Hotel and
   - Nigeria's Leading Hotel Suite (the Presidential Suite)
d) Pearl Sectoral Award for Service (Hotels & Lodging), Transcorp Hotels Plc
e) Safety and Security Award, Transcorp Hotels Calabar

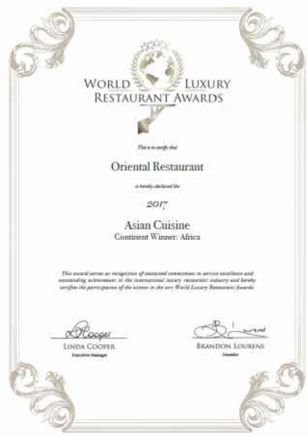

2017
TRAVELLERS' CHOICE
tripadvisor


2017
CERTIFICATE of EXCELLENCE
tripadvisor


WORLD TRAVEL AWARDS
WINNER
2017
Africa's Leading
Business Hotel


WORLD LUXURY HOTEL
AWARDS
Transcorp Hilton Abuja
2017
Luxury City Hotel
Regional Winner: West & Central Africa


WORLD LUXURY HOTEL
AWARDS
Transcorp Hilton Abuja
2017
Luxury Contemporary Hotel
Country Winner: Nigeria


WORLD LUXURY
RESTAURANT AWARDS
Oriental Restaurant
2017
Asian Cuisine
Continent Winner: Africa


24TH ANNUAL
WORLD
TRAVEL
AWARDS
Africa's Leading Business Hotel 2017
Transcorp Hilton Abuja, Nigeria
This certifies that the holder has been voted the winner of this
award by the voters of the 24th annual World Travel Awards.
GRAHAM E. COOKE


24TH ANNUAL
WORLD
TRAVEL
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Nigeria's Leading Hotel 2017
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WORLD
LUXURY
RESTAURANT
AWARDS
WINNER
2017

SOCIETY FOR CORPORATE GOVERNANCE NIGERIA

LEADERSHIP & INTEGRITY

5B, Lawani Oduloye Street, Oniru, Victoria Island, Lagos.
Phone: +234 8158390739, 8158390740
Website: www.corpgovnigeria.org

BOARD EVALUATION REPORT FOR THE BOARD OF TRANSCORP HOTELS PLC

EXECUTIVE SUMMARY

The Society for Corporate Governance Nigeria was invited to conduct an independent evaluation/assessment of the Board of the Transcorp Hotels Plc for the year ended 2017.

Below is a summary of our findings:

<u>Brief about the Company</u>

Transcorp Hotels Plc was incorporated on 12 July 1994 in Nigeria under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The company is engaged in the hospitality industry; particularly the rendering of hotel services. The company owns and operates Transcorp Hilton Hotel Abuja. The hotel which is situated in Abuja provides luxury accommodation, exotic cuisines, fully equipped meeting rooms and leisure facilities to business travellers and tourists from all over the world. The company holds 100% equity interest in Transcorp Hotels Calabar Limited and Transcorp Hotels Port Harcourt Limited and also has interests in Transcorp Hotels Ikoyi Limited. The "Group" consists of Transcorp Hotels Plc and the above named subsidiaries.

The main responsibility of the Board of Trancorp Hotels Plc is to oversee the company's business strategy and business plan and to ensure that the management of the Company is consistent with the shareholders' resolution and in compliance with the law.

The Board is composed of highly experienced individuals with diverse backgrounds who are conversant with their oversight functions.

The Chairman of the Board has fostered an environment that encourages and supports the active participation and contribution of Board members at meetings.

Peer assessment results showed that the Directors' main areas of strength are Communication both in the Board and Committees and Directors' knowledge and understanding spanning across their diversity, experience and resounding knowledge. Interviews held with the Directors also revealed the level of thoroughness that goes into every decision taken and every policy generated.

The group has a comprehensive, Board and Committee Governance Charter, Sustainability Policy which covers codes of ethics, conflict of interest, corporate governance, whistle blowing, safety, health and management. The Company also has an Enterprise Risk Management Framework, Cash management Policy, and Security Audit Framework. All the policies were sighted and assessed for content and relevance and were found to be way above average. They are also reviewed regularly.

In view of this, we rate the board 'Excellent'.

In our opinion, the Board takes its oversight functions very seriously and is committed to the business of the company. This is demonstrated by the attendance at Board and Committee meetings of the Directors and the depth of discussions and resolutions arrived at during these meetings.

In 2017, the Board met four (4) times. The Finance and Investment Committee met five (05) times while the Board Audit and Governance Committee met four (04) times during the year.

In as much as there is still room for improvement and continuous Director development, we are happy to state that the Board of Transcorp Hotels Plc conducted its affairs in an acceptable and satisfactory manner in 2017.

For: **SOCIETY FOR CORPORATE GOVERNANCE NIGERIA**

Hilda Nkor (Mrs.)
Chief Executive Officer
FRC/2016/NIM/00000015618

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss.

The responsibilities include:

(a) ensuring that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the Companies and Allied Matters Act;

(b) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; and

(c) preparing the Group's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Group will not remain a going concern for at least twelve months from the date of this statement.

Olorogun O'tega Emerhor, OON
Chairman
FRC/2013/ICAN/00000003211
13 February 2018

Mr. Valentine Ozigbo
Managing Director/CEO
FRC/2013/ICAN/00000005347
13 February 2018

REPORT OF THE AUDIT COMMITTEE

FOR YEAR ENDED 31 DECEMBER 2017

In compliance with section 359 (6) of the Companies and Allied Matters Act Cap C20 LFN 2004 (CAMA), members of the Audit Committee of Transcorp Hotels Plc hereby report as follows:

1) The Audit Committee met in exercise of its statutory responsibilities in accordance with section 359 (6) of the Companies and Allied Matters Act;

2) We approved the internal audit plan and assessed the level of compliance of the internal audit activities with the plan;

3) We have reviewed the effectiveness of the Company's system of accounting and internal control;

4) We have examined the auditors' report including the financial statements for the year ended 31 December 2017;

5) We have also deliberated with the external auditors, reviewed their findings and recommendations and management responses and confirm that the auditors' report for this period is consistent with our review; and

6) We are satisfied that the accounting and reporting policies of the Company are in accordance with legal requirements and meet ethical standards.

....

Mr. Sanusi Mudasiru
Chairman, Statutory Audit Committee
FRC/2016/ICAN/00000/14309
12 February 2018

Members of the Statutory Audit Committee

1)	Mr. Sanusi Mudasiru	(Chairman)	– Shareholders' Representative
2)	Mr. Akaninyene Obot	(Member)	– Shareholders' Representative
3)	Mr. Olusegun Owoeye	(Member)	– Shareholders' Representative
4)	Mr. Adim Jibunoh	(Member)	– Directors' Representative
5)	Hajia Saratu Umar	(Member)	– Directors' Representative

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Independent auditor's report

To the members of Transcorp Hotels Plc

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Transcorp Hotels Plc ("the company") and its subsidiaries (together "the group") as at 31 December 2017, and of their consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

Transcorp Hotels Plc's consolidated and separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Chartered Accountants, Landmark Towers, 5B Water Corporation Road, Victoria Island, Lagos, Nigeria

pwc

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were 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 these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of goodwill (N1.97 billion) Refer to note 2.8 (Impairment of non-financial assets), note 6 (Critical accounting estimates and judgments), and note 14.1 (Goodwill) to the consolidated and separate financial statements. Goodwill is tested annually for impairment or whenever there is an impairment indicator. Goodwill arose when Transcorp Hotels Plc (THP) acquired 100% equity interest in Transcorp Hotels Calabar Limited (THCL) on 30 September 2012. Goodwill was calculated as the difference between the purchase consideration for the 100% interest in THCL and the Company's share of net assets acquired. Goodwill is allocated on the Company's cash generating unit (CGU) which is THCL. In assessing goodwill for impairment, management concluded that the recoverable amount was higher than its carrying values such that no impairment provision was required. These conclusions are dependent upon significant management judgement and estimated recoverable amounts provided by an independent external valuer. Recoverable amount has been determined based on the fair value less costs of disposal. Given the materiality of goodwill, an impairment could have significant impact on the financial statements. We focused on this area due to increased level of subjectivity involved in estimating the carrying value of the goodwill at year end date. This matter is considered a key audit matter in the consolidated financial statements only.	We obtained the independent external valuer's report. We evaluated the independent external valuer's competence, capabilities and objectivity. We assessed the methodology used, the appropriateness of the key assumptions and the resale values estimated by the external valuer. We checked on a sample basis the accuracy and reasonableness of data used by the valuer to determine the market value.

Other information

The directors are responsible for the other information. The other information comprises the Corporate information, Chairman's statement, CEO's report, Corporate governance report, Sustainability report, Independent board evaluation report, Statement of Director's responsibilities, Report of the audit committee, Directors' report, Consolidated and separate Statement of Value Added, Consolidated and separate Five year Financial Summary and Notice of annual general meeting (but 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 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 identified above 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 that we 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 and those charged with governance for the consolidated and separate financial statements

The directors are responsible for the preparation of the consolidated and separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards and 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 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 or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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 judgment and maintain professional scepticism throughout the audit. We also:

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

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

pwc

Report on other legal and regulatory requirements

The Companies and Allied Matters Act requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received by us;
iii) the company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

Edafe Erhie

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria
Engagement Partner: Edafe Erhie
FRC/2013/ICAN/00000001143

20 February 2018

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	Group 31 December 2017 N'000	Group 31 December 2016 N'000	Company 31 December 2017 N'000	Company 31 December 2016 N'000
ASSETS					
Non current assets					
Property, plant and equipment	13	89,875,217	77,072,454	78,607,254	66,143,308
Intangible assets	14	2,101,388	2,073,383	124,373	94,904
Investment in subsidiaries	15	-	-	3,529,781	3,529,781
Investment properties	16	-	-	2,068,576	1,751,576
Deferred tax asset	18	70,847	78,479	-	-
Longterm intercompany receivables	24.2	-	-	5,160,290	5,062,875
Total non current assets		**92,047,452**	**79,224,316**	**89,490,274**	**76,582,444**
Current assets					
Inventories	19	711,283	725,857	666,150	683,615
Trade and other receivables	20	4,183,973	9,078,745	4,278,235	9,265,317
Cash and bank balances	21	3,589,831	1,814,074	3,467,847	1,757,974
Total current assets		**8,485,087**	**11,618,676**	**8,412,232**	**11,706,906**
Total assets		**100,532,539**	**90,842,992**	**97,902,506**	**88,289,350**
LIABILITIES					
Non-current liabilities					
Borrowings	17	21,073,346	14,571,848	21,073,346	14,571,848
Deposit for shares	22.2	2,410,000	2,410,000	-	-
Deferred tax liability	18	7,163,337	7,158,798	7,163,338	7,158,798
Total non-current liabilities		**30,646,683**	**24,140,646**	**28,236,684**	**21,730,646**
Current liabilities					
Trade and other payables	22	6,963,640	5,951,166	6,757,852	5,764,926
Borrowings	17	6,953,103	6,116,876	6,953,103	6,116,876
Current income tax liabilities	12	1,033,987	1,433,911	1,009,199	1,424,231
Total current liabilities		**14,950,730**	**13,501,953**	**14,720,154**	**13,306,033**
Total liabilities		**45,597,413**	**37,642,599**	**42,956,838**	**35,036,679**
Equity					
Ordinary share capital	28	3,800,202	3,800,202	3,800,202	3,800,202
Share premium	28	4,034,411	4,034,411	4,034,411	4,034,411
Retained earnings		47,099,673	45,364,940	47,111,055	45,418,058
Capital and reserves attributable to owners of the parent		**54,934,286**	**53,199,553**	**54,945,668**	**53,252,671**
Non-controlling interest		840	840	-	-
Total equity		**54,935,126**	**53,200,393**	**54,945,668**	**53,252,671**
Total equity and liabilities		**100,532,539**	**90,842,992**	**97,902,506**	**88,289,350**

The notes on pages 51 to 94 are an integral part of these financial statements

The financial statements on pages 46 to 96 were approved and authorised for issue by the Board of Directors on 13 February, 2018 and were signed on its behalf by;

Olorogun O'tega Emerhor, OON
FRC/2013/ICAN/00000003211
Chairman

Adekunle Elumaro
FRC/2013/ICAN/00000004862
Chief Financial Officer

Valentine Ozigbo
FRC/2013/ICAN/00000005347
Managing Director/ CEO

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INCOME STATEMENT

FOR YEAR ENDED 31 DECEMBER 2017

		Group		Company	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Note	N'000	N'000	N'000	N'000
Revenue	7	13,843,470	15,311,879	12,962,580	14,559,553
Cost of sales	8	(3,763,131)	(3,889,893)	(3,438,087)	(3,625,369)
Gross profit		**10,080,339**	**11,421,986**	**9,524,493**	**10,934,184**
Administrative expenses	9	(7,796,080)	(7,323,156)	(7,303,294)	(6,858,464)
Other operating income	10	1,178,729	560,571	1,170,315	560,571
Operating profit		**3,462,988**	**4,659,401**	**3,391,514**	**4,636,291**
Finance income	11	217,167	575,585	217,131	565,496
Finance income		**217,167**	**575,585**	**217,131**	**565,496**
Profit before income tax		**3,680,155**	**5,234,986**	**3,608,645**	**5,201,787**
Income tax expense	12	(998,422)	(1,139,582)	(968,648)	(1,468,194)
Profit for the year		2,681,733	4,095,404	2,639,997	3,733,593
Total comprehensive income for the year		**2,681,733**	**4,095,404**	**2,639,997**	**3,733,593**
Total comprehensive income for the period is attributable to:					
Owners of Transcorp Hotels Plc		**2,681,733**	**4,095,404**	**2,639,997**	**3,733,593**
Non controlling interest		-	-	-	-
Basic EPS (kobo)	27			35	49
Diluted EPS (kobo)	27			35	49

The notes on pages 51 to 94 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR YEAR ENDED 31 DECEMBER 2017

Group	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Non-controlling interest N'000	Total Equity N'000
At 1 January 2016	**3,800,202**	**4,034,411**	**44,309,697**	**840**	**52,145,150**
Profit for the year	-	-	4,095,404	-	**4,095,404**
Total comprehensive income for the year	-	-	4,095,404	-	**4,095,404**
Total transactions with owners recognised directly in equity					
Dividend for 2016	-	-	(3,040,161)	-	**(3,040,161)**
	-	-	(3,040,161)	-	**(3,040,161)**
Balance at 31 December 2016	**3,800,202**	**4,034,411**	**45,364,940**	**840**	**53,200,393**
Balance at 1 January 2017	**3,800,202**	**4,034,411**	**45,364,940**	**840**	**53,200,393**
Profit for the year	-	-	2,681,733	-	**2,681,733**
Shares allotted to NCI	-	-	-	-	**-**
Total comprehensive income for the year	-	-	2,681,733	-	**2,681,733**
Total transactions with owners recognised directly in equity					
Dividend for 2017	-	-	(947,000)	-	**(947,000)**
Balance at 31 December 2017	**3,800,202**	**4,034,411**	**47,099,673**	**840**	**54,935,126**

The notes on pages 51 to 94 are an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY *(contn'd)*

FOR YEAR ENDED 31 DECEMBER 2017

Company	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total Equity N'000
Balance at 1 January 2016	**3,800,202**	**4,034,411**	**44,724,626**	**52,559,239**
Profit for the year	-	-	3,733,593	**3,733,593**
Total comprehensive income for the year	-	-	3,733,593	**3,733,593**
Total transactions with owners recognised directly in equity				
Dividend for 2016	-	-	(3,040,161)	**(3,040,161)**
Balance at 31 December 2016	**3,800,202**	**4,034,411**	**45,418,058**	**53,252,671**
Balance at 1 January 2017	**3,800,202**	**4,034,411**	**45,418,058**	**53,252,671**
Profit for the year	-	-	2,639,997	**2,639,997**
Total comprehensive income for the year	-	-	2,639,997	**2,639,997**
Total transactions with owners recognised directly in equity				
Dividend for 2017	-	-	(947,000)	**(947,000)**
Balance at 31 December 2017	**3,800,202**	**4,034,411**	**47,111,055**	**54,945,668**

The notes on pages 51 to 94 are an integral part of these financial statements

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STATEMENT OF CASH FLOW

FOR YEAR ENDED 31 DECEMBER 2017

		Group		Company	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
	Note	N'000	N'000	N'000	N'000
Cash flows from operations					
Cash generated from operating activities	29	11,548,462	6,515,741	11,460,068	6,612,281
Tax paid	12	(1,386,174)	(3,042,659)	(1,379,140)	(3,020,026)
Net cash generated from operating activities		**10,162,288**	**3,473,082**	**10,080,928**	**3,592,255**
Cash flows from investing activities					
Proceeds from sale of property plant and equipment	10	42,155	3,600	42,155	3,600
Increase in long term receivables	24.2	-	-	(97,415)	(1,498,359)
Purchase of property, plant and equipment	13	(10,329,203)	(10,465,133)	(10,200,459)	(8,861,773)
Purchase of investment property	16	-	-	(7,404)	(73,041)
Purchase of intangible assets	14	(47,924)	(65,206)	(47,924)	(65,206)
Interest received	11	217,167	575,585	217,131	565,496
Net cash used in investing activities		**(10,117,805)**	**(9,951,154)**	**(10,093,916)**	**(9,929,283)**
Cash flows from financing activities					
Proceeds from loans		10,391,380	-	10,391,380	-
Bond principal repayment		(3,004,386)	-	(3,004,386)	-
Loan principal repayment		(200,000)	-	(200,000)	-
Loan interest repayment		(3,692,913)	(3,121,017)	(3,692,913)	(3,121,017)
Capitalised interest received	11	29,672	181,506	29,672	181,506
Dividends paid		(3,040,161)	(3,105,101)	(3,040,161)	(3,105,101)
Net cash generated from / (used in) financing activities		**483,592**	**(6,044,612)**	**483,592**	**(6,044,612)**
Net increase / (decrease) in cash and cash equivalents		**528,075**	**(12,522,684)**	**470,604**	**(12,381,640)**
Cash and cash equivalents at the beginning of the year		1,814,074	14,184,829	1,757,974	13,998,377
Effect of exchange rate fluctuations on cash held		345,325	151,929	336,912	141,237
Cash and cash equivalents at end of year	21	**2,687,474**	**1,814,074**	**2,565,490**	**1,757,974**

The notes on pages 51 to 9 4are an integral part of these financial statements

1. General information

Transcorp Hotels Plc was incorporated on 12 July 1994 in Nigeria under the Companies and Allied Matters Act as a private limited liability company, and is domiciled in Nigeria. The company is engaged in the hospitality industry; particularly the rendering of hotel services.

The company owns and operates Transcorp Hilton Hotel Abuja. The hotel which is situated in Abuja provides luxury accommodation, exotic cuisines, fully equipped meeting rooms and leisure facilities to business travellers and tourists from all over the world.

The company holds 100% equity interest in Transcorp Hotels Calabar Limited and Transcorp Hotels Port Harcourt Limited and also has interests in Transcorp Hotels Ikoyi Limited.

The "Group" consists of Transcorp Hotels Plc and the above named subsidiaries.
The company's registered office is 1 Aguiyi Ironsi Street, Federal Capital Territory, Abuja, Nigeria.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in compliance with the Companies and Allied Matters Act (CAMA) and in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 6.

The preparation of financial statements, in conformity with IFRS, requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The financial statements have been prepared on a historical cost basis except for the fair value basis applied to certain property, plant and equipment, investment properties and intangible assets. These assets are subsequently carried at cost less accumulated depreciation except for investment properties which are revalued annually.

The financial statements are presented in Nigerian Naira being the functional currency of the primary economic environment in which the company operates and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

2.1.1 Going Concern

The financial statements have been prepared on a going concern basis. The directors have no doubt that the Group would remain in existence for at least 12 months after the reporting date.

2.1.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

Amendments to IAS 7, Disclosure initiative.

Annual improvements to IFRSs 2012 – 2014 cycle, and

Disclosure initiative – amendments to IAS 1.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2017 are not material to the Group.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	IFRS 9 Financial Instruments
Nature of change	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. IFRS 9 introduces a new model for classifying and measuring financial assets. In respect of financial liabilities, all IAS39 requirements are carried forward to IFRS 9. The classification of financial assets depend on its contractual cash flow characteristics and the entity's business model for managing the financial assets.
Impact	The Group does not have financial assets that are classified as fair value though profit or loss, held to maturity or available for sale. Financial assets in its books are classified as loans and receivables. This type of financial asset shall be measured at amortised cost if both of the following conditions are met: a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principals and interest on the principal amount outstanding.

2.1.2 Changes in accounting policy and disclosures (contn'd)

Impact *(contd)*	The financial assets of the Group - trade receivables, rent receivables and employees' loans meet the contractual cash flow test which aims to identify whether the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding'. Such assets are managed to realise cash flows by collecting contractual payments over the life of the instrument. The method of subsequent measurement for the financial assets within the Group will remain the same and measured at amortised cost. There will be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities. The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39 In applying the IFRS 9 impairment requirements, an entity needs to follow one of the approaches below: The general approach The simplified approach The purchased or originated credit-impaired approach. This model applies to the Group's trade receivables, rent receivables and staff loans. Transcorp Hotels Plc will adopt the simplified approach for calculating its impairment loss on trade and other receivables. The Group has a policy choice between using the general approach or the simplified approach for rent receivables while staff loans will be calculated using the general approach. While the group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses. The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.
Mandatory application date/ date of adoption by group	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt IFRS 9 before its mandatory date.

Title of standard	**IFRS 15 Revenue from Contracts with Customers**
Nature of change	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

2.1.2 Changes in accounting policy and disclosures (contn'd)

<table>
<tr><td>Nature of change (Contd)</td><td>It requires that the in recognising revenue, the Group must:

1. Identify the contract(s) with a customer
2. Identify performance obligations in the contract(s)
3. Determine the transaction price
4. Allocate the transaction price to performance obligations in the contract
5. Recognise revenue when (or as) the Group satisfies a performance obligation

The standard permits either a full retrospective or a modified retrospective approach for the adoption.</td></tr>
<tr><td>Impact</td><td>The Group operates two major types of contracts which are walk-in guests and guests on contract. Contracts with walk-in guests are usually oral and entered into over the counter while the guest on contract usually have written contracts which have been signed by both parties.

The room and recreational facilities are distinct in the contracts as both services are not highly integrated with, not highly depended on each other.

Transcorp Hotels Plc operates a customer loyalty program called Hilton Honours where guest earn points for each night spent in the hotel. At the end of the month, the total points earned by a guest is valued by Hilton worldwide.

The Group is not responsible for fulfilling the promise on points earned. The value is determined by Hilton worldwide and the responsibility for fulfilling this lies with Hilton worldwide.

The Group has standardised prices for its goods and services. For the rooms, there is a rack rate and a negotiated rate. There is also a standard price for its food and beverage, business centre, laundry services recreational facilities etc.

The transaction price that will be recognised for accounting purpose will change due to the following reasons:

1. Discounts provided to guests on contracts
2. Agency relationship with Hilton worldwide on the customer loyalty program. The value of points earned under the Hilton Honours should not be included in the transaction price.

Transcorp Hotels Plc's contracts with walk-in guests contain performance obligations for the rooms and recreational facilities. The Group currently recognises all the revenue to the room. Agreements with guests on contracts contain performance obligations for the room, recreational facility, discount, renewal options. Currently, the revenue is only recognised on the room and the Group allocates the discounts only to the room.

The Group needs to allocate the transaction price between the room and recreational facilities for walk-in guests.

The Group needs to allocate transaction prices between the room, recreational facilities and renewal options for guests on contracts.
The allocation will be done using the relative stand-alone selling price at the inception of the contract.

The Group will also need to present separately, contract assets and contract liability as a separate line item in the statement of financial position. Specifically, contract liability may arise from renewal options.

The Group will disclose adequate information in the financial statements that will meet the objective of disclosure requirements of IFRS 15. To achieve this, the following among others will be disclosed:</td></tr>
</table>

2.1.2 Changes in accounting policy and disclosures (contn'd)

Impact *(contd)*	1. The amount of revenue recognised from contracts with customers separately from other sources of revenue 2. Impairment losses from contracts with customers separately from other impairment losses 3. Disaggregation of revenue into types of goods and services rendered 4. The opening and closing balances of receivables, contract assets and contract liabilities from contracts with customers.
Mandatory application date/ date of adoption by group	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Group is 1 January 2018.
Title of standard	**IFRS 16 Leases**
Nature of change	Transcorp Hotels Plc has lease arrangements as a lessor with various entities to which it leases out space within its facilites. The arrangements were accounted for as operating lease based on IAS 17 requirements. IFRS 16 basically carries forward the requirements of IAS 17 for lessors. The lessor will still account for its leases as operating or financing lease.
Impact	The new standard will not have any significant impact on the Group
Mandatory application date/ date of adoption by group	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Group is 1 January 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. Control exists when the group has power over the investee, is exposed to, or has rights to variable returns from its involvement with investee, and has the ability to use its power to affect the returns. Subsidiaries are accounted for at cost in the separate financial statements of Transcorp Hotels Plc. In the consolidated financial statements, subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Business combination
The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the
- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquired entity is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the identifiable net assets acquired is recorded as goodwill.

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(b) Disposal of subsidiaries
When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Common control transactions
The group applies predecessor values method in accounting for business combination under common control. The financial statements are prepared using predecessor book values, i.e. the book values of the net assets of the acquired entity company in the consolidated accounts of Transcorp Hotels Plc before the transaction,

without any step up to fair value. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to equity. This is recorded in retained earnings. No additional goodwill is created by the transaction.

2.3 Segment reporting

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

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

The hospitality business is made up of Transcorp Hotels Plc (THP) and its subsidiaries, Transcorp Hotels Calabar Limited (THC), Transcorp Hotels Ikoyi Limited (THIL) and Transcorp Hotels Port Harcourt Limited (THPHL).

2.4 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which Transcorp Hotels Plc operates ('the functional currency'). The functional currency of Transcorp Hotels Plc and its subsidiaries is the Nigerian Naira. All entities in the group have the same functional currency. The financial statements are also presented in Naira.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'other (expenses)/income – net'. Translation differences related to changes in amortised cost are recognised in profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably.

All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold buildings	2% - 20%	Plant and machinery	10 - 33%
Furniture and fittings	10% - 50%	Computer equipment	10 - 50%
Motor vehicles	20% - 50%		

The group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortisation and useful lives of the assets are reviewed annually and adjusted if appropriate.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than it's estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income or expense - net in the income statement for the year.

2.6 Intangible assets

(a) Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Transcorp Hotel Plc's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquired entity and the fair value of the non-controlling interest in the acquired entity. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments

The goodwill in the books arose from the purchase of Transcorp Hotels Calabar Limited which operates the Transcorp Hotel, Calabar.

For purposes of impairment testing, the entire subsidiary is treated as one cash generating unit (CGU).

(b) Computer software
Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

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.

2.7 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated Group, are classified as investment properties. Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs, in the year of acquisition. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position.

Gains or losses arising from changes in the fair value of investment properties are included in the income statement in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only 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. All other repairs and maintenance costs are charged to the consolidated profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is obtained from professional third party valuers contracted to perform valuations on behalf of the Group. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

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 investment property.

2.8 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.9 Financial assets

The group classifies its financial assets in the following categories:
- loans and receivables, and
- held-to-maturity investments,

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

2.9.1 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

2.9.2 Measurement

At initial recognition, the group 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 that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Interest income on held-to-maturity investments and loans and receivables calculated using the effective interest method is recognised in the income statement as part of revenue from continuing operations.

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Impairment of financial assets

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:
- significant financial difficulty of the debtor or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

Assets carried at amortised cost
For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

2.12 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined using the weighted average method. This includes the cost of direct materials to the company's premises and other direct costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cash and bank balances

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The fair values of borrowings are based on cash flows discounted using a rate based on the borrowing rate of 18% (2016: 16%). The rate used is the average interest rate obtainable from commercial banks and has been determined as a level 2 measure within the fair value hierarchy.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, (i.e. capitalised) until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Current and deferred tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in Nigeria. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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 profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 Employee benefits

(a) Defined contribution scheme
The Group operates a defined contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The employer's contributions are recognised as employee benefit expenses when they are due. The Group has no further payment obligation once the contributions have been paid.

(b)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 as in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable stated net of discounts, returns, amounts received on behalf of third parties and value added taxes. The Group earns revenue from the sale of goods and services.

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Group's activities. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Group and the amount of revenue and associated costs incurred or to be incurred can be measured reliably.

Revenue includes hotel, entertainment and restaurant revenues, other service fees, rental income and the invoiced value of goods and services sold less returns and allowances. Value Added Tax (VAT) and other taxes are excluded from revenue and treated as overhead expenses , as these are borne by the Group and not by its customers. VAT on all other revenue transactions is considered to be a tax collected by the Group as an agent on behalf of the revenue authorities and is excluded from revenue.

Transcorp Hilton Hotel Abuja offers a customer loyalty programme called the Hilton Honours Guest Reward Programme on behalf of the Hilton International. Under this programme, registered members earn points when they pay for rooms or services at the hotel. The Group accounts for the points as a separately identifiable component of the sales transaction in which they are granted (the 'initial sale' of rooms or service). The consideration received or receivable in respect of the initial sale is allocated between the points and the sale of rooms or service with reference to the fair value of the points. Revenue is measured as the net amount retained by the hotel, i.e. the difference between the consideration allocated to the award credits and the amount payable to Hilton International for supplying the awards.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.20 Leases

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance lease

Leases of items by the Group where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.21 Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.22 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's's shareholders. In respect of interim dividends, these are recognised when declared by the Board of Directors.

2.23 Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

2.24 Earnings per share

Basic earnings per share is calculated by dividing:
- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

3 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Naira units	Cash flow forecasting Sensitivity analysis	Contractual agreements on exchange rates
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate negotiations
Credit risk	Cash and cash equivalents, trade receivables, and held-to-maturity investments	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit Investment guidelines for and held-to-maturity investments.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

The Group's financial risk management is carried out by a central treasury department (Group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3.1 Market risk

(i) Foreign exchange risk
Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Nigerian Naira.

The Group's US Dollar denominated borrowings are expected to be repaid with its US Dollar denominated cash holdings. The foreign exposure to these loans have not been hedged.

The Group and company's exposure to foreign currency risk at the end of the reporting period, expressed in the individual foreign currency units was as follows:

Exposure

Group	31-Dec-17	31-Dec-17	31-Dec-17
	USD 000	GBP 000	Euro 000
Cash and cash equivalents	6,567	153	5
Trade payables	309	-	-
Borrowings	2,066	-	-

Group	31-Dec-16	31-Dec-16	31-Dec-16
Cash and cash equivalents	3,527	158	19
Trade payables	661	-	-
Borrowings	-	-	-

Company	31-Dec-17	31-Dec-17	31-Dec-17
	USD 000	GBP 000	Euro 000
Cash and cash equivalents	6,417	153	5
Trade payables	309	-	-
Borrowings	2,066	-	-

Company	31-Dec-16	31-Dec-16	31-Dec-16
Cash and cash equivalents	3,382	158	19
Trade payables	661	-	-
Borrowings	-	-	-

Amounts recognised in profit or loss and other comprehensive income
During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	Note	Group 31 Dec 2017 N'000	Group 31 Dec 2016 N'000	Company 31 Dec 2017 N'000	Company 31 Dec 2016 N'000
Net foreign exchange gain included in other income	10	645,011	279,269	636,597	279,269

Sensitivity
As shown in the table above, the Group is primarily exposed to changes in US Dollars/Naira exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US Dollar denominated financial instruments.

	Group 31 Dec 2017 N'000	Group 31 Dec 2016 N'000	Company 31 Dec 2017 N'000	Company 31 Dec 2016 N'000
Impact on post tax profit				
USD/NGN exchange rate – increase 25%	432,888	217,816	419,388	206,796

(ii) Cash flow and fair value interest rate risk
The Group's main interest rate risk arises from long-term borrowings with a mix of fixed and variable interest rates. The Group's borrowings at fixed rates were denominated in Naira, while 8% of its borrowings at variable rates were denominated in US Dollars.

The fixed bond coupons are not subject to revision. The Group is exposed to interest risk as its loan interest rates are subject to revision and are tied to the Monetary Policy Rate in Nigeria. To manage this risk, the Company's policy is to contract for best interest rate borrowings when terms offered are attractive.

The impact of changes to the variable interest rate on profit for the year is shown below;

	Group 31 Dec 2017 N'000	Group 31 Dec 2016 N'000	Company 31 Dec 2017 N'000	Company 31 Dec 2016 N'000
Borrowings with variable rates	10,454,620	-	10,454,620	-

	Group 31 Dec 2017 N'000	Group 31 Dec 2016 N'000	Company 31 Dec 2017 N'000	Company 31 Dec 2016 N'000
Impact on borrowing costs				
Change in interest rate: 1%	104,546	-	104,546	-
Change in interest rate: 3%	313,639	-	313,639	-
Change in interest rate: 5%	522,731	-	522,731	-

3.2 Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to related parties and to customers, including outstanding receivables.

(i) Risk management
Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum national rating of 'A' are accepted.

There is no independent rating for customers. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

Sales to customers are required to be settled in cash or using major credit cards, mitigating credit risk.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit ratings of the investments are monitored for credit deterioration.

(ii) Security
No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

However, some guests are required to provide security deposits for credit transactions while others are granted credit on the strength of their credibility and past performances. In the case of default, unpaid balances are set off against security deposit while others are referred to debt collection agents.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

There are no credit ratings for Transcorp Hotel Plc's trade and other receivables. Credit ratings from Fitch are highlighted below:

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Cash at bank and short-term bank deposits A+(nga)	2,380,757	1,449,079	2,260,464	1,449,079
Cash at bank and short-term bank deposits AA-(nga)	66,250	65,594	66,250	65,594
Unrated cash and cash equivalents	1,142,824	299,401	1,141,133	243,301
Unrated trade and other receivables	3,319,607	7,830,307	3,459,292	8,048,047
Maximum credit exposure	**6,909,438**	**9,644,381**	**6,927,139**	**9,806,021**

None of the amounts receivable from related parties are past due or impaired and repayments have been received regularly and on time historically. Management has established a related entity risk management framework including pre-determined limits for extending credit to key management personnel.

(iii) Impaired trade receivables
Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified. Other receivables are not impaired. For these receivables the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:
- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 90 days overdue).

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Individually impaired trade receivables relate to customers who had defaulted for more than 90 days where there is no evidence for recoverability of amounts owed. The Group expects that a portion of the receivables will be recovered and has recognised impairment losses of N78 million and N45 million (2016: N149 million and N120 million) for Group and Company respectively. The ageing of these receivables is as follows:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
3 to 6 months	27,353	51,982	15,765	41,952
Over 6 months	50,798	96,538	29,279	77,912
	78,151	**148,520**	**45,044**	**119,864**

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
At 1 January	148,520	239,726	119,864	219,734
Additional provision recognised in the year	31,030	93,100	25,667	84,436
Receivables previously written off as uncollectible now recovered	-	(151,879)	-	(151,879)
Provision for doubtful account no longer required	(55,934)	(32,427)	(55,022)	(32,427)
Receivables written off during the year as uncollectible	(45,465)	-	(45,465)	-
At 31 December	**78,151**	**148,520**	**45,044**	**119,864**

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Amounts recognised in profit or loss	(70,369)	(91,206)	(74,820)	(99,870)

(iv) Past due but not impaired

As at 31 December 2017, trade receivables of N281 million (Company- N279 million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Up to 3 months	218,940	283,497	255,163	251,735
3 to 6 months	62,159	182,628	24,238	162,167
	281,099	**466,125**	**279,401**	**413,902**

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The group does not hold any collateral in relation to these receivables.

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Neither past due nor impaired				
Less than 3 months	**3,024,295**	**8,177,170**	**8,377,413**	**8,424,684**

Long term receivables of N5.16 billion (2016: N5.06 billion) is included in the balance for Company above and is neither past due nor impaired. See also Note 24.2 to the financial statements.

3.3 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 positions.

Management monitors rolling forecasts of the Group's liquidity reserve and cash and bank balances (Note 21) on the basis of expected cash flows.

This is generally carried out at each of the respective companies of the Group in accordance with practice and limits set by the Group. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Financing arrangements
The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	Group		Company	
Floating rate	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Expiring within one year				
(bank overdrafts)	97,643	-	97,643	-
Expiring beyond one year (loan)	3,299,950	-	3,299,950	-
	3,397,593	-	3,397,593	-

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

The Company signed a loan agreement with Hilton Worldwide Manage Limited during the year. The loan of $5 million was undrawn as at year end and is interest free. The loan has a maturity of 8 years including a 2 year moratorium and is repayable in equal monthly instalments.

The Company has a N5 billion loan with N1.5 billion undrawn as at year end. The loan may be drawn at any time in Naira and has a maturity of 5 years.

(ii) Maturities of financial liabilities
The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows which include principal and interest to maturity. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Liquidity risk

Contractual maturities of financial liabilities

(Group) At 31 December 2017	Less than 6 months N'000	6 – 12 months N'000	Between 1 and 5 years N'000	Over 5 years N'000	Total contractual cash flows N'000
Trade and other payables	2,317,664	1,426,609	-	-	3,744,273
Borrowings	5,562,639	4,885,852	23,038,867	257,520	33,744,878

Contractual maturities of financial liabilities

(Company) At 31 December 2017	Less than 6 months N'000	6 – 12 months N'000	Between 1 and 5 years N'000	Over 5 years N'000	Total contractual cash flows N'000
Trade and other payables	2,216,828	1,321,657	-	-	3,538,485
Borrowings	5,562,639	4,885,852	23,038,867	257,520	33,744,878

Contractual maturities of financial liabilities

(Group) At 31 December 2017	Less than 6 months N'000	6 – 12 months N'000	Between 1 and 5 years N'000	Over 5 years N'000	Total contractual cash flows N'000
Trade and other payables	4,384,394	1,399,099	-	-	5,783,493
Borrowings	-	-	16,699,870	3,988,854	20,688,724

Contractual maturities of financial liabilities

(Company) At 31 December 2017	Less than 6 months N'000	6 – 12 months N'000	Between 1 and 5 years N'000	Over 5 years N'000	Total contractual cash flows N'000
Trade and other payables	4,293,136	1,304,117	-	-	5,597,253
Borrowings	-	-	16,699,870	3,988,854	20,688,724

The N33.7 billion disclosed in the 2017 borrowings time band relates to both principal and interest on borrowings to maturity. (2016: N20.7 billion).

4 Capital risk management

(a) Risk management

The group's objectives when managing capital are to
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the following gearing ratio:

- Net debt as per Note 30 divided by total 'equity' (as shown in the balance sheet, including non-controlling interests).

During 2017, the group's strategy was to maintain a gearing ratio within 20% to 70% and a minimum B credit rating. The credit rating was unchanged and the gearing ratios at 31 December 2017 and 31 December 2016 were as follows:

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Net debt (Note 30)	24,436,618	18,874,650	24,558,602	18,930,750
Total equity	54,935,126	52,807,313	54,945,668	53,252,671
Net debt to equity ratio	**44%**	**36%**	**45%**	**36%**

(i) Loan covenants
Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Maximum net debt: EBITDA of 3.0 from the Issue date to the maturity date.
- Minimum historical Debt Service Coverage Ratio ("DSCR") to be maintained at 1.2 times. The DSCR would be calculated as (Cash Flow Available for Debt Service/Total Debt - Service net of available cash and cash equivalents);
- Minimum Interest Cover to be maintained at 2.0 times. This will be calculated as the historical EBITDA/Net Interest Expenses;
- Secured indebtedness shall not exceed 50% of the Issuer's Net Asset determined on the basis of total assets less total liabilities, as stated in the Issuer's most recent consolidated financial statements.

The group has complied with all covenants throughout the reporting period.

As at 31 December 2017, the ratio of maximum net debt to EBITDA was 3.0 times (2016: 3.0 times), DSCR is 3.5 times (2016: 1.2 times), interest cover is 2 times (2016: 2 times) and secured indebtedness is 50% (2016: 39%).

(b) Dividends

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Ordinary shares				
Dividend for the year ended				
31 December 2017 of 12.45 kobo				
(2016 : 40 kobo) per fully paid share	947,000	3,040,162	947,000	3,040,162

5. Recognised fair value measurements

(i) Fair value hierarchy
This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its non-financial assets and liabilities into the three levels prescribed under the accounting standards.

At 31 December 2017	Notes	Level 1 N'000	Level 2 N'000	Level 3 N'000	Total N'000
Investment properties	16	-	2,068,576	-	2,068,576
Total Non-financial assets		-	2,068,576	-	2,068,576
At 31 December 2016					
Investment properties	16	-	1,751,576	-	1,751,576
Total Non-financial assets		-	1,751,576	-	1,751,576

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.

(ii) Valuation techniques used to determine level 2 fair values
The Group obtains independent valuations for its investment properties at least annually.

At the end of each reporting period, the directors update their assessment of the fair value of its property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 2 .The key inputs under this approach are the price per square metre from current year sales of comparable lots of land in the area (location and size).

(iii) Valuation processes
The Group engages external, independent and qualified valuers to determine the fair value of the Group's investment properties at the end of every financial year and for other land and buildings at least every three years.

As at 31 December 2017, the fair values of the investment properties have been determined by Ubosi Eleh & Company Estate Surveyors and Valuers.

In valuing the property, the valuers assumed :

i. That the title of the property is good and marketable;
ii. That the property is not adversely affected by or subject to compulsory acquisition, road widening, new proposal or planning scheme;
iii. that the property is free from all onerous charges and restrictions.

The basis of valuation is the market value that is the price, which an interest in a property might reasonably be expected to realize in a sale by private treaty assuming:

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

The investment property was carried at cost in prior period, being the year of acquisition.

The main level 2 inputs used by the Group are derived and evaluated as follows:
- Leased Land – discount rates, terminal yields, expected vacancy rates and rental growth rates are estimated by Ubosi Eleh & Company Estate Surveyors and Valuers

The estimates are consistent with the valuer's experience and knowledge of market conditions.

6. Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in related notes to the specific items, together with information about the basis of calculation for each affected line item in the financial statements.

Impairment of goodwill

The Group reviews goodwill at least annually and other non-financial assets when there is any indication that the assets might be impaired. The Group has engaged and independent valuer, Ubosi Eleh & Company Estate Surveyors and Valuers to determine the estimated fair value of operating segments to which goodwill is allocated using the depreciated replacement cost method. This equates the market value of an asset to the estimated total cost of the items as newly purchased as at the date of valuation less an allowance for depreciation to account for wear, tear and obsolescence. See Note 14 for methods and assumptions used in estimating net recoverable amount.

7. Revenue

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Rooms	8,508,774	9,603,013	8,017,530	9,191,439
Food and beverages	4,091,761	4,528,631	3,745,011	4,224,574
Shop rental	625,235	299,653	625,235	299,653
Service charge	127,785	160,049	108,964	144,103
Other operating revenue	489,915	720,533	465,840	699,784
	13,843,470	15,311,879	12,962,580	14,559,553

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

The Group earns revenue from the sale of goods and services, mainly hotel accommodation, sale of food and beverages, entertainment and restaurant revenues, other related service fees and rental income.

All the revenue was generated in Nigeria. The Group does not have any customer that accounts for more than 5% of its revenue.

8. Cost of sales

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Rooms	707,145	700,589	667,498	673,446
Food and beverages	1,568,431	1,687,947	1,381,735	1,549,039
Other operating costs	18,755	31,446	18,755	31,446
Staff costs	1,468,800	1,469,911	1,370,099	1,371,438
	3,763,131	3,889,893	3,438,087	3,625,369

9. Administrative expenses

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Staff costs	1,308,301	1,237,691	1,239,160	1,175,961
Depreciation	1,018,281	977,302	919,084	866,083
Auditors remuneration	50,000	45,000	30,000	30,000
Management and incentive fees	943,374	1,285,456	943,374	1,285,456
Professional fees	65,635	74,240	57,051	51,041
Directors' remuneration	85,001	136,779	80,116	133,703
Bank charges	189,059	151,018	183,655	145,418
Repairs and maintenance	583,433	674,227	526,241	528,941
Energy cost	1,208,837	1,119,453	1,022,942	955,160
Amortisation	19,919	24,390	18,455	22,327
Insurance	293,783	167,234	293,783	167,234
Group services and benefits	266,128	297,095	266,128	297,095
Health, safety and Medical	379,626	131,159	379,626	125,400
IT, telecommunication and securities	146,605	147,216	136,525	140,752
Licences, fees and rates	123,909	42,851	121,936	40,969
Marketing, sales and advertisement	239,841	220,057	238,522	210,394
Travel, logistics and accommodation	232,109	109,786	221,467	104,965
Stationery, printing and office supplies	29,222	22,278	29,222	21,300
Other operating expenses	613,017	459,924	596,007	556,265
	7,796,080	7,323,156	7,303,294	6,858,464

N2 million being tax advisory fees was paid to the auditors - PwC in the year (2016: N2m). This has been recorded as part of the professional fees above. The non-audit service was carried out with the consent of the audit engagement partner and this service poses no threat to PwC's independence and objectivity.

10. Other operating income - net

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Profit on fixed asset disposal	42,155	3,600	42,155	3,600
Net foreign exchange gains	645,011	279,269	636,597	279,269
Other income	181,967	106,167	181,967	106,167
Fair value adjustment to investment properties	309,596	171,535	309,596	171,535
	1,178,729	560,571	1,170,315	560,571

11. Finance income and cost

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other income is included in other income above. Total interest income on financial assets that are not measured at fair value though profit or loss for the year is presented below.

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Finance income				
Interest on bank deposits	30,274	85,572	30,238	75,483
Interest on intercompany loan	186,893	490,013	186,893	490,013
	217,167	575,585	217,131	565,496
Finance cost				
Borrowing costs	3,212,215	4,260,455	3,212,215	4,260,455
Less interest income on deposits	(29,672)	(181,506)	(29,672)	(181,506)
Less amount capitalised	(3,182,543)	(4,078,949)	(3,182,543)	(4,078,949)
Finance cost expensed	-	-	-	-

Capitalised borrowing cost

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's specific borrowings during the year, in this case 19% (2016 – 16%).

12. Taxation

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Current tax				
Income tax	902,490	1,430,114	884,038	1,422,654
Education tax	73,005	111,935	69,315	108,631
	975,495	1,542,049	953,353	1,531,285
Under provision in prior years				
Income tax	10,015	-	10,015	-
Education tax	740	-	740	-
	10,755	-	10,755	-
Deferred income tax				
Increase/ (decrease) in deferred tax liabilities (Note 18)	12,172	(402,467)	4,540	(63,091)
Total deferred tax charge/ (writeback)	12,172	(402,467)	4,540	(63,091)
Income tax expense	**998,422**	**1,139,582**	**968,648**	**1,468,194**

The movement in tax payable is as follows:

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
At 1 January	1,433,911	2,932,574	1,424,231	2,912,972
Adjustments for current tax of prior periods	10,755	1,947	10,755	-
Provision for the year	975,495	1,542,049	953,353	1,531,285
Payment during the year	(1,386,174)	(3,042,659)	(1,379,140)	(3,020,026)
At 31 December	**1,033,987**	**1,433,911**	**1,009,199**	**1,424,231**

A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the years ended 31 December 2017 and 2016 is as follows:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Profit before tax	3,680,155	5,234,986	3,608,645	5,201,787
Tax at Nigeria Corporation tax rate of 30% (2016: 30%)	1,104,047	1,570,496	1,082,594	1,560,536
Underprovision on prior years tax	10,755	1,947	10,755	-
Education tax	73,005	111,935	69,315	108,631
Deferred education tax	7,410	-	7,331	-
Effect of permanent difference	(196,795)	(284,967)	(201,347)	68,038
Tax effect of income not subjected to tax	-	(259,829)	-	(269,011)
Tax charge for the year	**998,422**	**1,139,582**	**968,648**	**1,468,194**

13. Property plant and equipment

Group	Freehold Land	Leasehold Building	Plant & Machinery	Capital work in progress	Computer Equipment & Furniture & Fittings	Motor Vehicle	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost							
1 January 2016	34,998,013	15,597,391	3,006,280	12,457,068	2,636,193	473,898	69,168,843
Additions	171,535	88,868	326,299	9,808,360	233,565	8,041	10,636,668
Interest cost capitalised in the year	-	-	-	4,078,949	-	-	4,078,949
Reclassifications	-	-	39,694	(146,541)	106,847	-	-
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**35,169,548**	**15,686,259**	**3,371,255**	**26,197,836**	**2,976,605**	**475,155**	**83,876,658**
1 January 2017	35,169,548	15,686,259	3,371,255	26,197,836	2,976,605	475,155	83,876,658
Additions	309,609	60,114	199,646	9,797,207	272,223	-	10,638,799
Interest cost capitalised in the year	-	-	-	3,182,543	-	-	3,182,543
Write offs	-	-	(55,003)	-	-	-	(55,003)
Disposals	-	-	(1,016)	-	(155,194)	-	(156,210)
31 December 2017	**35,479,157**	**15,746,373**	**3,514,882**	**39,177,586**	**3,093,634**	**475,155**	**97,486,787**
Accumulated depreciation and impairment losses							
1 January 2016	-	1,770,640	1,864,694	-	1,944,966	254,404	5,834,704
Depreciation for the year	-	373,214	280,024	-	249,767	74,297	977,302
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**-**	**2,143,854**	**2,143,700**	**-**	**2,194,733**	**321,917**	**6,804,204**
1 January 2017	-	2,143,854	2,143,700	-	2,194,733	321,917	6,804,204
Depreciation for the year	-	376,934	260,863	-	313,054	67,402	1,018,253
Write offs	-	-	(54,677)	-	-	-	(54,677)
Disposals	-	-	(1,016)	-	(155,194)	-	(156,210)
31 December 2017	**-**	**2,520,788**	**2,348,870**	**-**	**2,352,593**	**389,319**	**7,611,570**
Net Book value							
At 1 January 2017	**35,169,548**	**13,542,405**	**1,227,555**	**26,197,836**	**781,872**	**153,238**	**77,072,454**
At 31 December 2017	**35,479,157**	**13,225,585**	**1,166,012**	**39,177,586**	**741,041**	**85,836**	**89,875,217**

Company	Freehold Land N'000	Leasehold Building N'000	Plant & Machinery N'000	Capital work in progress N'000	Computer Equipment & Furniture & Fittings N'000	Motor Vehicle N'000	Total N'000
Cost							
1 January 2016	30,872,625	14,415,082	2,578,354	8,561,982	2,356,235	463,064	59,247,342
Additions	-	78,691	312,556	8,236,961	233,565	-	8,861,773
Interest cost capitalised in the year	-	-	-	4,078,949	-	-	4,078,949
Reclassification	-	-	39,694	(146,541)	106,847	-	-
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**30,872,625**	**14,493,773**	**2,929,586**	**20,731,351**	**2,696,647**	**456,280**	**72,180,262**
1 January 2017	30,872,625	14,493,773	2,929,586	20,731,351	2,696,647	456,280	72,180,262
Additions	-	58,281	177,998	9,707,638	256,542	-	10,200,459
Interest cost capitalised in the year	-	-	-	3,182,543	-	-	3,182,543
Reclassification	-	-	-	-	-	-	-
Disposals	-	-	(1,016)	-	(155,194)	-	(156,210)
31 December 2017	**30,872,625**	**14,552,054**	**3,106,568**	**33,621,532**	**2,797,995**	**456,280**	**85,407,054**
Accumulated depreciation and impairment losses							
1 January 2016	-	1,638,656	1,607,283	-	1,688,547	244,187	5,178,673
Charge for the year	-	332,742	231,135	-	228,161	74,045	866,083
Interest cost capitalised in the year	-	-	-	-	-	-	-
Disposals	-	-	(1,018)	-	-	(6,784)	(7,802)
31 December 2016	**-**	**1,971,398**	**1,837,400**	**-**	**1,916,708**	**311,448**	**6,036,954**
1 January 2017	-	1,971,398	1,837,400	-	1,916,708	311,448	6,036,954
Charge for the year	-	336,270	223,867	-	291,931	66,988	919,056
Disposals	-	-	(1,016)	-	(155,194)	-	(156,210)
31 December 2017	**-**	**2,307,668**	**2,060,251**	**-**	**2,053,445**	**378,436**	**6,799,800**
Net Book Value							
At 1 January 2017	**30,872,625**	**12,522,375**	**1,092,186**	**20,731,351**	**779,939**	**144,832**	**66,143,308**
At 31 December 2017	**30,872,625**	**12,244,386**	**1,046,317**	**33,621,532**	**744,550**	**77,844**	**78,607,254**

None of the non-current assets have been pledged as security by the group.
Borrowing costs capitalised amounted to N3.18 billion (2016 : N4.08 billion)

14 Intangible assets

	Group			Company
	Goodwill	Computer software	Total	Computer software
	N'000	N'000	N'000	N'000
Cost				
1 January 2016	1,974,756	113,603	2,088,359	103,141
Additions	-	65,206	65,206	65,206
31 December 2016	**1,974,756**	**178,809**	**2,153,565**	**168,347**
Balance at 1 January 2017	1,974,756	178,809	2,153,565	168,347
Additions	-	47,924	47,924	47,924
31 December 2017	**1,974,756**	**226,733**	**2,201,489**	**216,271**
Accumulated amortisation				
1 January 2016	-	55,792	55,792	51,116
Amortisation for the year	-	24,390	24,390	22,327
31 December 2016	**-**	**80,182**	**80,182**	**73,443**
Balance at 1 January 2017	-	80,182	80,182	73,443
Amortisation for the year	-	19,919	19,919	18,455
31 December 2017	**-**	**100,101**	**100,101**	**91,898**
Net Book Value				
1 January 2017	**1,974,756**	**98,627**	**2,073,383**	**94,904**
31 December 2017	**1,974,756**	**126,632**	**2,101,388**	**124,373**

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

Amortisation expenses are included in administrative expenses.

The group determines at each reporting date whether there is any objective evidence that intangible assets are impaired. The remaining amortisation period for computer software cost is between 3 to 6 years. Goodwill is not amortised but tested for impairment annually.

The group periodically evaluates its non-current assets for impairment, whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The group's judgements regarding the existence of impairment indicators are based on market conditions and operational performance of the business. Future events could cause management to conclude that impairment indicators exist.

Goodwill

The goodwill amount relates to pre-existing goodwill from previous acquisition of Transcorp Hotels Calabar Limited(THCL). Goodwill arose from the excess of the consideration over acquisition-date fair values of identifiable assets and liabilities of Transcorp Hotels Calabar Limited acquired. No additional goodwill was recorded during the year.

In assessing goodwill for impairment at 31 December 2017 and 2016, the company compared the aggregate recoverable amount of the assets included in the CGU to its respective carrying amounts. Recoverable amount has been determined based on the fair value less costs of disposal.

Based on the results of the impairment evaluation described above, the recorded goodwill was not impaired as the recoverable amount of the subsidiary exceeded the carrying value.

Basis of valuation

The fair value of the assets of THCL 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:
i. a willing buyer;
ii a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
iii. values will remain static throughout the period;
iv. the property will be freely exposed to the market;
v. no account is to be taken of an additional bid by a special purchaser;
vi. 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 2017, the fair values of the assets of THCL has been determined by Ubosi Eleh & Company Estate Surveyors and Valuers.

The following factors were considered in valuing the assets of the subsidiary:
i. total economic working life of the item in question;
ii. age and remaining economic life of the item;
iii. the degree of physical deterioration and obsolescence of the item
iv. work load to which the item is subjected;
v. current cost of the item including installation, freight and customs charges where applicable.

The Board has estimated that the costs of disposal to be 10% of the fair value of the assets of the subsidiary.

Market value	**N'000**
Land and buildings	4,277,000
Items of plant and machinery	574,999
Items of office/computer equipments	41,623
Motor vehicles	12,600
Items of furniture and fittings	96,209
Total market value	5,002,431
Costs of disposal at 10%	(500,243)
	4,502,188

Carrying Value	**N'000**
Asset as at 31 December 2017	1,533,865
Goodwill as at 31 December 2017	1,974,756
	3,508,621

Based on the reuslts of the impairment evaluation described above, the recorded goodwill was not impaired as the recoverable amount of the subsidiary exceeded the carrying value.

Goodwill has been allocated to the following CGU as follows;

	31 Dec 2017	**31 Dec 2016**
	N'000	**N'000**
Transcorp Hotels Calabar Limited (THCL)	1,974,756	1,974,756

15 Investment in subsidiaries

	Company	
	31 Dec 2017	31 Dec 2016
	N'000	N'000
Transcorp Hotels Calabar Limited	3,508,621	3,508,621
Transcorp Hotels Port Harcourt	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
	3,529,781	**3,529,781**

Movement in investment in subsidiaries is analysed as follows:

	Company	
	31 Dec 2017	31 Dec 2016
	N'000	N'000
At beginning of year	3,529,781	3,529,781
At end of year	**3,529,781**	**3,529,781**

The shareholders of Transcorp Hotels Ikoyi are Transcorp Hotels Plc (52%) and Heirs Holdings Limited (48%).

Transcorp Hotels Port Harcourt Limited is a wholly owned subsidiary of Transcorp Hotels Plc. The company was incorporated on registered 1 March 2014 as a private limited liability company.

Non-controlling interests are not material to the group, hence no summarised financial information has been disclosed.

16 Investment property

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
At beginning of year	-	-	1,751,576	1,507,000
Additions	-	-	7,404	73,041
Fair value gain on investment property	-	-	309,596	171,535
Closing balance	**-**	**-**	**2,068,576**	**1,751,576**

Investment property as at 31 December 2017 relates to the 12,550.70 square metres of land at Ikewere street, Oromeruezingbu Village, Port Harcourt, Rivers State, Nigeria.

The Company earned N4.1 million in the year (2016:N4.1 million). There are no direct operating expenses from property that generated rental income. Changes in fair values are presented in profit or loss as part of other income.

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the year.
This investment property is occupied by Transcorp Hotels Port Harcourt Limited.

In line with IAS 40, this investment property has been reclassified to property plant and equipment in the consolidated financial statement.

17 Borrowings

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Non current				
Non-current bond liability	13,253,101	14,571,848	13,253,101	14,571,848
Non-current loan liability	7,820,245	-	7,820,245	-
	21,073,346	**14,571,848**	**21,073,346**	**14,571,848**
Current				
Curent bond liability	3,416,371	6,116,876	3,416,371	6,116,876
Curent loans liability	2,634,375	-	2,634,375	-
Bank overdrafts	902,357	-	902,357	-
	6,953,103	**6,116,876**	**6,953,103**	**6,116,876**
Total borrowings	**28,026,449**	**20,688,724**	**28,026,449**	**20,688,724**

The Company's borrowings are:

i) a N10 billion 7-year 16.00% fixed rate bonds made through 100% firm underwriting process wherein the Issue is offered to Qualified Institutional Investors ("QIIs") and High Networth Investors ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission;
ii) a N9.758 billion subscribed 5-year 15.50% fixed rate bonds made through Book building process wherein 100% of the subscribed Issue is offered to Qualified Institutional Investors ("QIIs") and High Networth Investors ("HNIs") as defined under Rule 321 of the Rules and Regulations of the Securities and Exchange Commission ;
iii) a N5 billion term loan with a tenor of six years with 12 months moratorium from a commercial bank at interest rate of 18%. The loan is secured by a guarantee from Transnational Corporation of Nigeria Plc, the parent of the Company;
iv) a N5 billion fixed term investment note at 23.5% variable rate with a tenor of two years with 12 months moratorium. The Company has drawn down N3.5 billion of this facility. The loan is secured by a negative pledge;
v) a N400 million short term loan with a rolling 90 day tenor and interest rate of 18%;
vi) a N300 million short term loan with a rolling 90 day tenor and interest rate of 23%;
vii) a N500 million discounted instrument with a 90 day tenor and interest rate of 21%;
viii) a $2 million short term loan with rolling 60 days tenor and interest rate of 13.5%.

The Company signed a loan agreement with Hilton Worldwide Manage Limited during the year. The loan of $5 million was undrawn as at year end and is interest free. The loan has a maturity of 8 years including a 2 year moratorium and is repayable in equal monthly instalments. The value of the loan has not been included in the borrowings above.

The carryings values of borrowings are based on actual cash flows amortised over the tenor of the borrowings using an effective interest rate of 19% (2016: 16%).

Use of Proceeds:
N10 billion 7-year 16.00% fixed rate bonds

Purpose	Amount (N'000)	% of Net proceeds	Estimated completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	7,611,496	76%	June 2018
Construction of Multipurpose Banquet Hall in Transcorp Hilton Abuja	1,902,874	19%	December 2018
Cost of Issue	235,630	2%	Paid
Underwriting Fee	250,000	3%	Paid
	10,000,000	**100%**	

N9.758 billion 5-year 15.50% fixed rate bonds

Purpose	Amount (N'000)	% of Net proceeds	Estimated completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	7,615,821	78%	June 2018
Construction of Multipurpose Banquet Hall in Transcorp Hilton Abuja	1,930,955	20%	December 2018
Cost of Issue	238,224	2%	Paid
	9,785,000	**100%**	

Other borrowings have been obtained in order to fund the refurbishment of the Transcorp Hilton Abuja and the construction of a multipurpose banquet hall in Transcorp Hilton Abuja.

The movement in the borrowings during the year has been analysed below.

Borrowings

	Group		Company	
Bond liability	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**
As at 1 January	20,688,724	19,549,286	20,688,724	19,549,286
Interest	1,984,036	4,260,455	1,984,036	4,260,455
Principal repayments	(3,004,386)	-	(3,004,386)	-
Interest repayments	(2,998,902)	(3,121,017)	(2,998,902)	(3,121,017)
	16,669,472	**20,688,724**	**16,669,472**	**20,688,724**

	Group		Company	
Loan liability	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**
As at January	-	-	-	-
Additions	10,391,380	-	10,391,380	-
Effective interest	954,793	-	954,793	-
Principal repayments	(200,000)	-	(200,000)	-
Interest repayments	(694,011)	-	(694,011)	-
Exchange loss	2,458	-	2,458	-
	10,454,620	**-**	**10,454,620**	**-**

	Group		Company	
Overdraft	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**
As at January	-	-	-	-
Additions	902,357	-	902,357	-
Effective interest	54,822	-	54,822	-
Interest repayments	(54,822)	-	(54,822)	-
	902,357	**-**	**902,357**	**-**

18 Deferred tax

Movements

Liability

Group	Property, plant and equipment N'000	Tax losses and provisions N'000	Others N'000	Total N'000
At 1 January 2016	7,230,779	(8,890)	-	7,221,889
Credited to profit or loss	(63,091)	-	-	(63,091)
At 31 December 2016	**7,167,688**	**(8,890)**	**-**	**7,158,798**
At 1 January 2017	7,167,688	(8,890)	-	7,158,798
(Credited)/ debited to profit or loss	(4,944)	9,483	-	4,539
At 31 December 2017	**7,162,744**	**593**	**-**	**7,163,337**

Company	Property, plant and equipment N'000	Tax losses and provisions N'000	Others N'000	Total N'000
At 1 January 2016	7,230,779	(8,890)	-	7,221,889
Credited to profit or loss	(63,091)	-	-	(63,091)
At 31 December 2016	**7,167,688**	**(8,890)**	-	**7,158,798**
At 1 January 2017	7,167,688	(8,890)	-	7,158,798
(Credited)/ debited to profit or loss	(4,943)	9,483		4,540
At 31 December 2017	**7,162,745**	**593**	-	**7,163,338**

Temporary differences is attributable to:

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Property, plant and equipment	(4,944)	(63,091)	(4,943)	(63,091)
Tax losses and provisions	9,483	-	9,483	-
	4,539	**(63,091)**	**4,540**	**(63,091)**

Asset

Group	Property, plant and equipment N'000	Tax losses and provisions N'000	Others N'000	Total N'000
At 1 January 2016	(222,553)	(15,417)	(22,927)	(260,897)
Credited to profit or loss	291,863	24,586	22,927	339,376
At 31 December 2016	**69,310**	**9,169**	**-**	**78,479**
At 1 January 2017	69,310	9,169	-	78,479
Debited/ (credited) to profit or loss	(6,362)	1,424	(2,694)	(7,632)
At 31 December 2017	**62,948**	**10,593**	**(2,694)**	**70,847**

Company

The Company does not have any deferred tax assets (2016: nil)

Temporary differences is attributable to:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Property, plant and equipment	(6,362)	291,863	-	-
Tax losses and provisions	1,424	24,586	-	-
	(4,938)	**316,449**	**-**	**-**

19 Inventories

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Food and beverage	231,431	215,486	208,525	187,298
Fuel	38,811	56,075	38,811	56,075
Engineering spares	330,542	366,761	319,946	361,805
Guest supplies	117,540	117,170	105,909	108,072
	718,324	755,492	673,191	713,250
Less impairment	(7,041)	(29,635)	(7,041)	(29,635)
	711,283	**725,857**	**666,150**	**683,615**

The costs of individual items of inventory are determined using weighted average costs.

Inventories recognised as an expense during the year ended 31 December 2017 amounted to N2.10 billion and N1.87 billion for group and company respectively (2016 – N1.68 billion Company - N1.54 billion). These were included in cost of sales.

There was no write-down of inventories to net realisable value during the year (2016: nil).

20 Trade and other receivables

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Trade receivables	716,589	977,289	598,582	867,798
Less: Provision for impairment of trade	(78,151)	(148,520)	(45,044)	(119,864)
	638,438	828,769	553,538	747,934
Receivables from related parties	2,681,169	7,001,538	2,905,754	7,300,113
Other receivables	641,595	812,987	607,263	790,539
Prepayments	222,771	435,451	211,680	426,731
	4,183,973	9,078,745	4,278,235	9,265,317

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

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

21 Cash and bank balances

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Cash in hand	30,516	10,077	29,576	9,494
Cash in bank	3,559,315	1,803,997	3,438,271	1,748,480
	3,589,831	1,814,074	3,467,847	1,757,974

For the purpose of the cash flow statement, cash and cash equivalents comprise the following:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Cash and bank balances	3,589,831	1,814,074	3,467,847	1,757,974
Bank overdrafts (Note 17)	(902,357)	-	(902,357)	-
	2,687,474	1,814,074	2,565,490	1,757,974

22 Trade and other payables

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Trade payables	160,936	252,154	114,430	199,264
VAT payable	126,853	102,206	58,883	55,618
Accrued liabilities	2,037,918	2,044,611	1,957,504	1,964,749
Dividend payable	947,000	3,040,161	947,000	3,040,161
Due to related parties (Note 22.1)	116,785	15,696	120,731	21,160
Deposits from guests	127,203	126,573	127,203	126,573
WHT Payable	354,781	328,665	339,937	316,301
Deferred income	3,092,164	41,100	3,092,164	41,100
Total	6,963,640	5,951,166	6,757,852	5,764,926

During the year, the managers of the Transcorp Hilton Hotel Abuja, Hilton World Wide Manage Limited contributed $10 million towards the refurbishment of the hotel. The contribution is not repayable by the Company and does not attract any interest. The amount contributed will be amortised over the next 20 years in line with the excecuted contract. This amount has been recognised as part of deferred income above.

22.1 Due to related parties

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Transnational Corporation of Nigeria Plc (Parent)	17,098	15,696	-	-
Transcorp Power Plant	99,687	-	99,571	-
Transcorp Hotels Port Harcourt	-	-	20,000	20,000
Transcorp Hotels Ikoyi Limited	-	-	1,160	1,160
	116,785	15,696	120,731	21,160

22.2 Deposit for shares

Deposit for shares relates to Heirs Holding Nigeria Limited's contribution to the development of Transcorp Hotels Ikoyi Limited (THIL).

Based on the Memorandum of Understanding between Transcorp Hotels 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.

23 Financial instruments and fair values

Measurement Categories

The following table shows the carrying values of financial assets and liabilities for each of these categories at 31 December 2017 and 31 December 2016.

Group	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**
Financial Assets	*Loans and receivables*	*Loans and receivables*
Trade and other receivables	3,319,607	7,830,307
Cash and cash equivalents	3,589,831	1,814,074
	6,909,438	9,644,381

Measurement categories continued

	31 Dec 2017 N'000	**31 Dec 2016 N'000**
Financial Liabilities	*Other financial liabilities*	*Other financial liabilities*
Trade and other payables	3,627,488	5,767,797
Intercompany payables	116,785	15,696
Borrowings	27,124,092	20,688,724
	30,868,365	26,472,217

Company	**31 Dec 2017 N'000**	**31 Dec 2016 N'000**
Financial Assets	*Loans and receivables*	*Loans and receivables*
Trade and other receivables	3,459,292	8,048,047
Cash and cash equivalents	3,467,847	1,757,974
	6,927,139	9,806,021
Financial Liabilities	*Other financial liabilities at amortised cost*	*Other financial liabilities at amortised cost*
Trade and other payables	3,538,485	5,597,253
Intercompany payables	120,731	21,160
Borrowings	27,124,092	20,688,724
	30,783,308	26,307,137

24 Related parties

The parent company of the company is Transnational Corporation of Nigeria Plc. The company is owned by Nigerian citizens.

Heirs Holdings Limited has significant influence in Transnational Corporation of Nigeria.

A number of transactions are entered into with related parties in the normal course of business. The volumes of related-party transactions, outstanding balances at the year-end, and relating expense and income for the year are as follows:

	Group		Company	
Sales to :	**31 Dec 2017**	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Transnational Corporation of Nigeria Plc (Holding Company)	1,956	8,772	1,956	8,772
Transcorp Power Plc (Related Party)	9,324	3,973	9,324	3,973
Heirs Holdings Limited (Related Party)	7,544	6,507	7,544	6,507

These are sales to related parties during the year. Intercompany transactions with related parties are conducted on terms equivalent to those prevailing in standard commercial terms.

24.1 Receivables from related parties

	Group		Company	
	31 Dec 2017	**31 Dec 2016**	**31 Dec 2017**	**31 Dec 2016**
	N'000	**N'000**	**N'000**	**N'000**
Parent and Holding Company				
Transnational Corporation Nigeria Plc	2,654,536	5,396,171	2,654,536	5,396,171
Heirs Holding Limited	8,802	40,944	8,802	40,944
	2,663,338	5,437,115	2,663,338	5,437,115
Subsidiary and fellow subsidiaries				
Transcorp Hotels Calabar Limited	-	-	216,095	294,085
Transcorp Power Limited		1,547,878	-	1,547,234
Teragro Commodities Limited	69	69	-	-
Transcorp Hotels Port Harcourt Limited	-	-	8,649	4,491
Afriland Properties Plc	483	-	483	-
Transcorp OPL 281 Limited	17,279	17,279	17,189	17,189
Closing balance	2,681,169	7,002,341	2,905,754	7,300,114

Included in receivables from related parties are loans to related parties disclosed in Note 24.3 below.

24.2 Long term intercompany receivables

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Opening balance	-	-	5,062,875	3,564,516
Additions				
Transcorp Hotels Port Harcourt Limited	-	-	6,910	60,388
Transcorp Hotels Ikoyi Limited	-	-	90,505	1,437,971
Closing balance	-	-	5,160,290	5,062,875

Long term intercompany receivables relates to total amount incurred on on-going projects at Transcorp Hotels Port Harcourt and Transcorp Hotels Ikoyi Limited.

For group purposes, long term receivables have been represented as capital work in progress under property, plant and equipment.

24.3 Loans to related parties

	Group			
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Beginning of the year	N'000	N'000	N'000	N'000
Transnational Corporation Nigeria Plc	2,829,879	4,208,541	2,829,879	4,208,541
Transcorp Power Limited	1,546,315	1,860,048	1,546,315	1,860,048
Loan advanced				
Transnational Corporation Nigeria Plc	-	650,000		650,000
Transcorp Power Limited	-	500,000		500,000
Loan repayments				
Transnational company of Nigeria	(2,333,876)	(2,332,408)	(2,333,876)	(2,332,408)
Transcorp Power Limited	(550,000)	(1,000,000)	(550,000)	(1,000,000)
Interest received				
Transnational company of Nigeria	64,471	303,746	64,471	303,746
Transcorp Power Limited	123,009	186,267	123,009	186,267
End of the year	1,679,798	4,376,194	1,679,798	4,376,194

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of receivables due from related parties. Loans to related parties are included in "Intercompany Receivables"

24.4 Loans from related parties

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Beginning of the year				
Africa Prudential Plc	-	-	-	-
Heirs Holdings Limited	-	-	-	-
United Capital Plc	-	-	-	-
Loan drawdowns				
Africa Prudential Plc	3,900,000	-	3,900,000	-
Heirs Holdings Limited	717,630	-	717,630	-
United Capital Plc	800,000	-	800,000	-
Interest on loan				
Africa Prudential Plc	126,668	-	126,668	-
Heirs Holdings Limited	42,603	-	42,603	-
United Capital Plc	63,308	-	63,308	-
Loan repayments				
Africa Prudential Plc	(200,000)	-	(200,000)	-
Heirs Holdings Limited	-		-	-
United Capital Plc	-	-	-	-
Interest repayments				
Africa Prudential Plc	-	-	-	-
Heirs Holdings Limited	(15,929)	-	(15,929)	-
United Capital Plc	-	-	-	-
End of the year	5,434,280	-	5,434,280	-

The company granted loans to key management personnel during the year. Total outstanding loan of N15,125,667 as at 31 December 2017 are generally for periods of 2 years repayable in monthly instalments at interest rates of 5% per annum. These loans are being deducted from their salaries on a monthly basis. Loans to key management personnel are unsecured.

Management services were bought from the parent entity (Transnational Corporation of Nigeria) as stipulated in the management service agreement at higher of N350 million or 5% of profit before tax amounting to N350,000,000 (2016 : N350,000,000).

All other transactions were made on normal commercial terms and conditions and at market rates, except that there are no fixed terms for the repayment of loans between the parties. The average interest rate on the other loans during the year was 20% (2016 – 12%).

Outstanding balances are unsecured and are repayable in cash or netted off receivables from the group.

25 Staff numbers and costs

The table below shows the number of employees (excluding directors), who earned over N240,000 as emoluments in the year and were within the bands stated.

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Staff Numbers per grade				
Managerial	46	43	36	35
Senior staff	169	170	150	148
Others	1,037	1,542	988	1,404
	1,252	1,755	1,174	1,587
N240,00- N500,000	668	894	642	769
N500,001-N1,000,000	446	661	415	632
N1,000,001-N2,000,000	76	151	66	146
N2,000,001-N4,000,000	14	23	11	18
N4,000,001- N5,000,000	11	-	6	13
Above N5,000,000	37	26	34	9
	1,252	1,755	1,174	1,587

Staff costs for the above persons (excluding Directors):

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	N'000	N'000	N'000	N'000
Salaries and wages	2,660,171	2,523,666	2,498,720	2,368,749
Pension cost	116,930	183,936	110,539	178,650
	2,777,101	2,707,602	2,609,259	2,547,399
Analysis of staff costs:				
Cost of sales	1,468,800	1,469,911	1,370,099	1,371,438
Administrative and general expenses	1,308,301	1,237,691	1,239,160	1,175,961
	2,777,101	2,707,602	2,609,259	2,547,399

Emoluments of directors

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
The remuneration paid to the Directors of the Company was:				
Employee services (Note 26)	95,103	93,532	95,103	93,532
Fees and allowances	80,116	133,753	80,116	133,703
	175,219	227,285	175,219	227,235
Amount paid to the highest paid Director (excluding pension contributions)	11,683	22,538	11,683	22,538

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
Chairman's emoluments				
Fees	11,500	22,538	11,500	22,538

The number of directors of the company (including the highest paid director) whose remuneration, excluding pension contributions, in respect of services to the company is within the following range:

	Group		Company	
	31 Dec 2017	31 Dec 2016	31 Dec 2017	31 Dec 2016
	Number	Number	Number	Number
Less than N10,000,000	9	9	9	9
Over N10,000,000	2	3	2	2
	11	12	11	11

26 Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Salaries and other short-term	90,205	88,662	90,205	88,662
Defined contributions	4,898	4,870	4,898	4,870
	95,103	93,532	95,103	93,532

27 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after taxation by the weighted average number of ordinary shares outstanding during the year. The adjusted EPS is calculated using the weighted average number of shares in issue at reporting date.

	Company	
	31 Dec 2017	31 Dec 2016
Profit attributable to owners (N)	2,639,997,000	3,733,593,000
Weighted average number of ordinary shares in issue	7,600,403,900	7,600,403,900
Basic Earnings per share (Kobo)	**35**	**49**
Diluted Earnings per share (Kobo)	**35**	**49**

28 Share capital

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Authorised:				
15,000,000,000 ordinary shares of 50k each	7,500,000	7,500,000	7,500,000	7,500,000

	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Issued, called up and fully paid				
7,600,403,900 ordinary shares of 50k each	3,800,202	3,800,202	3,800,202	3,800,202

Share premium	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
At 1 January	4,034,411	4,034,411	4,034,411	4,034,411
At 31 December	**4,034,411**	**4,034,411**	**4,034,411**	**4,034,411**

29 Cash generated from operations

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Operating profit	3,462,988	4,659,401	3,391,514	4,636,291
Adjustment for non cash items				
Depreciation of fixed assets	1,018,253	977,302	919,056	866,083
Amortisation of intangible assets	19,919	24,390	18,455	22,327
Unrealised exchange gain	(342,868)	-	(334,454)	-
Fair value gain: Investment property	(309,596)	(171,535)	(309,596)	(171,535)
PPE written off	326	-	-	-
Profit on disposal of property plant and equipment	(42,155)	(3,600)	(42,155)	(3,600)
Other adjustments to reconcile expenses for the year to cash from operating activities				
Decrease in debtors and prepayment	4,894,772	610,062	4,987,082	2,104,303
Decrease / (increase) in inventory	14,574	(34,415)	17,465	(25,399)
Increase / (decrease) in payables and accrued expenses	2,832,249	454,136	2,812,701	(816,189)
Net cash generated from operating activities	**11,548,462**	**6,515,741**	**11,460,068**	**6,612,281**

30 Net debt reconciliation

Analysis of net debt and the movements in net debt for each of the periods presented.

	Group		Company	
	31 Dec 2017 N'000	31 Dec 2016 N'000	31 Dec 2017 N'000	31 Dec 2016 N'000
Borrowings – repayable within one year	6,953,103	6,116,876	6,953,103	6,116,876
Borrowings – repayable after one year	21,073,346	14,571,848	21,073,346	14,571,848
Cash and cash equivalents	(3,589,831)	(1,814,074)	(3,467,847)	(1,757,974)
Net debt	24,436,618	18,874,650	24,558,602	18,930,750
Gross debt – fixed interest rates	28,026,449	20,688,724	28,026,449	20,688,724
Cash and liquid investments	(3,589,831)	(1,814,074)	(3,467,847)	(1,757,974)
Net debt (See note 4)	24,436,618	18,874,650	24,558,602	18,930,750

31 Capital commitments

The group has committed capital expenditure up to N8.2 billion (2016: N7.6 billion) for the hotel expansion and upgrade.

32 Contingent liabilities

The group is involved in some legal action in the ordinary course of the business. Based on the advice from the group's legal counsel, the directors are of the opinion that the group has good defence against the claims and no material loss is anticipated.

33 Dividend per Share

At the 60th meeting of the Board of Directors of Transcorp Hotels Plc held on 30 November 2017, an interim dividend of 12.45 kobo per share amounting to a total dividend of N947,000,000 was approved by the Board in respect of the year ended 31 December 2017, subject to shareholders' declaration of final dividend at the next Annual General Meeting (AGM).

34 Subsequent events

No subsequent events after the balance sheet date came to the notice of the directors, which would materially affect the position shown by the financial statements on the balance sheet date.

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VALUE-ADDED STATEMENT

FOR YEAR ENDED 31 DECEMBER 2017

	Group				Company			
	2017		2016		2017		2016	
	N'000	%	N'000	%	N'000	%	N'000	%
Revenue	13,843,470		15,311,879		12,962,580		14,559,553	
Other income	1,395,896		1,136,156		1,387,446		1,126,067	
	15,239,366		16,448,035		14,350,026		15,685,620	
Bought in services								
- Foreign	(4,090,097)		(2,692,790)		(3,759,623)		(2,418,114)	
- Local	(2,726,732)		(1,795,194)		(2,506,415)		(1,612,076)	
	(6,816,829)		(4,487,984)		(6,266,038)		(4,030,190)	
Value added	**8,422,537**	**100%**	**11,960,051**	**100%**	**8,083,988**	**100%**	**11,655,430**	**100%**
Distribution								
Employees								
Salaries and benefits	2,777,101	33%	2,707,602	23%	2,609,259	32%	2,547,399	22%
Provider of funds								
Dividend	947,000	11%	3,040,161	25%	947,000	12%	3,040,161	26%
Government								
Taxation	998,422	12%	1,139,582	10%	968,648	12%	1,468,194	13%
The Future								
Depreciation	1,018,281	12%	977,302	8%	919,084	11%	866,083	7%
Retained profit	2,681,733	32%	4,095,404	34%	2,639,997	33%	3,733,593	32%
	8,422,537	**100%**	**11,960,051**	**100%**	**8,083,988**	**100%**	**11,655,430**	**100%**

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FIVE-YEAR SUMMARY

FOR YEAR ENDED 31 DECEMBER 2017

The Group

Consolidated and separate statement of financial position	2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000
Non-current asset	92,047,452	79,224,316	65,366,706	53,727,574	49,604,610
Current asset	8,485,087	11,618,676	25,974,324	15,896,273	16,985,474
Current liabilities	(14,950,730)	(13,501,953)	(12,989,530)	(10,367,921)	(15,477,800)
Non-current liabilities	(30,646,683)	(24,140,646)	(26,206,350)	(7,503,856)	(7,598,293)
Net assets	54,935,126	53,200,393	52,145,150	51,752,070	43,513,991
Equity					
Share capital	3,800,202	3,800,202	3,800,202	3,800,202	5,000
Share premium	4,034,411	4,034,411	4,034,411	4,034,411	-
Retained earnings	47,099,673	45,364,940	44,309,697	43,917,457	43,508,991
Non-controlling interest	840	840	840	-	-
	54,935,126	53,200,393	52,145,150	51,752,070	43,513,991
Consolidated and separate statement of profit or loss and other comprehensive income					
Revenue	13,843,470	15,311,879	13,979,324	15,104,796	15,384,722
Profit before taxation	3,680,155	5,234,986	5,377,968	4,540,000	6,122,054
Taxation	(998,422)	(1,139,582)	(1,880,627)	(1,319,385)	(1,712,749)
Profit after taxation	2,681,733	4,095,404	3,497,341	3,220,615	4,409,305
Total comprehensive income for the year, net of tax	2,681,733	4,095,404	3,497,341	3,220,615	4,409,305

Company

Consolidated and separate statement of financial position	2017 N'000	2016 N'000	2015 N'000	2014 N'000	2013 N'000
Non-current asset	89,490,274	76,582,444	62,721,991	53,398,491	48,046,797
Current asset	8,412,232	11,706,906	26,167,450	16,073,951	18,343,977
Current liabilities	(14,720,154)	(13,306,033)	(12,794,749)	(10,167,820)	(15,362,959)
Non-current liabilities	(28,236,684)	(21,730,646)	(23,535,453)	(7,215,154)	(7,286,101)
Net assets	54,945,668	53,252,671	52,559,239	52,089,468	43,741,714
Equity					
Share capital	3,800,202	3,800,202	3,800,202	3,800,202	5,000
Share premium	4,034,411	4,034,411	4,034,411	4,034,411	-
Retained earnings	47,111,055	45,418,058	44,724,626	44,254,855	43,736,714
	54,945,668	53,252,671	52,559,239	52,089,468	43,741,714
Consolidated and separate statement of profit or loss and other comprehensive income					
Revenue	12,962,580	14,559,553	13,383,004	14,486,575	14,768,454
Profit before taxation	3,608,645	5,201,787	5,476,152	4,645,971	6,163,838
Taxation	(968,648)	(1,468,194)	(1,901,280)	(1,315,681)	(1,716,041)
Profit after taxation	2,639,997	3,733,593	3,574,872	3,330,290	4,447,797

transcorp Hotels

RC 248514

NOTICE OF ANNUAL GENERAL MEETING OF TRANSCORP HOTELS PLC

NOTICE IS HEREBY GIVEN that the fourth Annual General Meeting of Transcorp Hotels Plc ("Company") will hold at Lagos-Osun Hall, Floor 01, Transcorp Hilton Abuja, No. 1, Aguiyi Ironsi Street, Maitama, Abuja, FCT, on Friday, March 16, 2018 at 10.00a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the members the Audited Financial Statements of the Company for the year ended December 31, 2017 and the Report of the Directors, Audit Committee and Auditors thereon
2. To declare a Dividend
3. To approve the appointment of Directors
4. To re-elect a retiring Director
5. To appoint Ernst & Young as the Auditors to the Company
6. To authorize Directors to fix the remuneration of the Auditors
7. To elect/re-elect members of the Statutory Audit Committee

SPECIAL BUSINESS

8. To fix the remuneration of Directors
9. To consider and if thought fit pass the following resolution as an ordinary resolution of the Company:

9.1 That the Directors be and are hereby authorized to raise additional capital of up to N40,000,000,000 (Forty Billion Naira), whether by way of public offering, rights issue, private placement, bonds or any other method(s) they deem fit, with or without preferential allotment(s), either locally or internationally, whether as a standalone transaction or by way of programme, in such tranches, series or proportions, at such coupon or interest rates, within such maturity periods, at such dates and time and on such terms and conditions, including through a book building process or other process(es) all of which shall be determined by the Directors, subject to obtaining the approvals of relevant regulatory authorities.

9.2 That the Board be and is hereby authorised to appoint such professional advisers and undertake such other acts as may be necessary or incidental to, and or required for, effecting the objectives set out above.

Dated this 21st day of February, 2018

BY ORDER OF THE BOARD

Hiwuchukwu

……………………..................……………
Mrs. Helen Iwuchukwu
COMPANY SECRETARY
FRC/2015/NBA/00000012716

NOTES

1. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report.

2. NOMINATION OF MEMBERS OF THE AUDIT COMMITTEE

Pursuant to Section 359(5) of the Companies & Allied Matters Act, Cap C20 Laws of the Federation of Nigeria, 2004 any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination. Such notice shall reach the Company Secretary at least 21 days before the Annual General Meeting. The Securities & Exchange Commissions Code of Corporate Governance for Public Companies provides that members of the Audit Committee should have basic financial literacy and should be able to read financial statements. We therefore request that nominations be accompanied by a copy of the nominee's curriculum vitae.

3. DIVIDEND

If the dividend recommended by the Directors is approved by the shareholders at the Annual General Meeting, dividend will be paid by Monday March 19, 2018 to the shareholders whose names appear in the Company's Register of Members at the close of business on Wednesday March 7, 2018.

4. CLOSURE OF REGISTER

The Register of Members and Transfer Books will be closed from Thursday March 8, 2018 to Wednesday March 14, 2018 for the purpose of updating the Register of Members.

5. E-DIVIDEND

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend. Detachable application forms for e-dividend are attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

6. E- REPORT

In order to improve delivery of our Annual Report, we have inserted a detachable form to the Annual Report and hereby request shareholders to complete and return the form to the Registrars for further processing.

In addition, the electronic version of the Annual Report for 2017 is available online for viewing and download from our website: www.transcorphotelsplc.com

7. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES

Shareholders are hereby informed that a number of share certificates and dividend warrants have been returned to the Registrars as unclaimed. Any shareholder affected by this notice is advised to contact the Company's Registrars, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos to lay claim.

8. BIOGRAPHICAL DETAILS OF DIRECTOR FOR RE-ELECTION

The biographical details of the Director standing for re-election are provided in the Annual Report for 2017 and the Company's website

9. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the meeting, but also in writing prior to the meeting, and such written questions must be submitted to the Company on or before Friday, March 9, 2018.

PROXY FORM

FOURTH ANNUAL GENERAL MEETING OF TRANSCORP HOTELS PLC TO BE HELD ON FRIDAY, MARCH 16, 2018 AT LAGOS-OSUN HALL, FLOOR 01, TRANSCORP HILTON ABUJA, 1 AGUIYI-IRONSI STREET, MAITAMA, FCT ABUJA AT 10.00AM

I/WE ____
being a member/members of TRANSCORP HOTELS PLC, hereby appoint:

____or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Fourth Annual General Meeting of the Company to be held on Friday, March 16, 2018 at the Lagos/Osun Hall of Transcorp Hilton Abuja, 1 Aguiyi Ironsi Street Maitama Abuja, FCT at 10.00am and at any adjournment thereof.

A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it, so as to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the Proxy Form must be under its common seal or under the hand of a duly authorized officer or attorney.

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties.

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

	RESOLUTION	FOR	AGAINST
1.	To lay before the members, the Audited Financial Statements for the year ended December 31, 2017, together with the Report of the Directors, Auditors and Audit Committee thereon.		
2.	To declare a dividend of 12.45kobo per share.		
3.	To approve the appointment of Mr. Alex Okoh as a Non-executive Director of the Company.		
4.	To approve the appointment of Mr. Abdulkadir Jeli Bello as a Non-executive Director of the Company.		
5.	To re-elect Mr. Adim Jibunoh as a Non-executive Director of the Company.		
6.	To appoint Ernst & Young as the Auditors of the Company		
7.	To authorize Directors to determine the remuneration of the Auditors.		
8.	To elect/re-elect members of the Audit Committee.		
9.	To fix the remuneration of Directors.		
10.	To consider and if thought fit, pass the following as an ordinary resolution:		
10.1	That the Directors be and are hereby authorized to raise additional capital of up to N40,000,000,000 (Forty Billion Naira), whether by way of public offering, rights issue, private placement, bonds or any other method(s) they deem fit, with or without preferential allotment(s), either locally or internationally, whether as a standalone transaction or by way of a programme, in such tranches, series or proportions, at such coupon or interest rates, within such maturity periods, at such dates and time and on such terms and conditions, including through a book building process or other process(es) all of which shall be determined by the Directors, subject to obtaining the approvals of relevant regulatory authorities.		
10.2	That the Board be and is hereby authorised to appoint such professional advisers and undertake such other acts as may be necessary or incidental to, and or required for, effecting the objectives set out above.		

transcorp Hotels

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4th Annual General Meeting

ADMISSION CARD

Please admit the Shareholder named on this Card or his duly appointed proxy to the Annual General Meeting of the Company to be held on **Friday, March 16, 2018 at Lagos-Osun Hall, Transcorp Hilton Abuja, 1 Aguiyi-Ironsi Street, Maitama, FCT Abuja.**

This admission card must be produced by the Shareholder in order to gain entrance into the Annual General Meeting.

____
Name of Shareholder

____
Address of Shareholder

____
Number of Shares Held

____
Signature

SHAREHOLDERS E-SERVICE APPLICATION FORM

Africa Prudential

e-SHARE REGISTRATION APPLICATION FORM

Dear Registrar,

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

*** = Compulsory fields**

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

DECLARATION

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

Signature:________________ Signature:________________

for joint/corporate accounts only

DISCLAIMER

"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE	A/C No
1. AFRICA PRUDENTIAL PLC	
2. ABBEY MORTGAGE BANK PLC	
3. AFRILAND PROPERTIES PLC	
4. ALUMACO PLC	
5. A & G INSURANCE PLC	
6. A.R.M LIFE PLC	
7. ADAMAWA STATE GOVERNMENT BOND	
8. BECO PETROLEUM PRODUCTS PLC	
9. BUA GROUP	
10. BENUE STATE GOVERNMENT BOND	
11. CAP PLC	
12. CAPPA AND D'ALBERTO PLC	
13. CEMENT COY. OF NORTHERN NIG. PLC	
14. CSCS PLC	
15. CHAMPION BREWERIES PLC	
16. CWG PLC	
17. CORDROS MONEY MARKET FUND	
18. EBONYI STATE GOVERNMENT BOND	
19. GOLDEN CAPITAL PLC	
20. INFINITY TRUST MORTGAGE BANK PLC	
21. INVESTMENT & ALLIED ASSURANCE PLC	
22. JAIZ BANK PLC	
23. KADUNA STATE GOVERNMENT BOND	
24. LAGOS BUILDING INVESTMENT CO. PLC	
25. MED-VIEW AIRLINE PLC	
26. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*	
27. NEXANS KABLEMETAL NIG. PLC	
28. OMOLUABI MORTGAGE BANK PLC	
29. PERSONAL TRUST & SAVINGS LTD	
30. P.S MANDRIDES PLC	
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	
32. PREMIER BREWERIES PLC	
33. RESORT SAVINGS & LOANS PLC	
34. ROADS NIGERIA PLC	
35. SCOA NIGERIA PLC	
36. TRANSCORP HOTELS PLC	
37. TRANSCORP PLC	
38. TOWER BOND	
39. THE LA CASERA CORPORATE BOND	
40. UACN PLC	
41. UNITED BANK FOR AFRICA PLC	
42. UNITED CAPITAL PLC	
43. UNITED CAPITAL BALANCED FUND	
44. UNITED CAPITAL BOND FUND	
45. UNITED CAPITAL EQUITY FUND	
46. UNITED CAPITAL MONEY MARKET FUND	
47. UNIC DIVERSIFIED HOLDINGS PLC	
48. UNIC INSURANCE PLC	
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	
50. UTC NIGERIA PLC	
51. WEST AFRICAN GLASS IND PLC	

OTHERS: ________________

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Plot 137, Olu-Obasanjo Road (2nd Floor). Tel: 084-303457
E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential

Affix Current Passport

Write your name at the back of your passport photograph

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

E-DIVIDEND MANDATE ACTIVATION FORM

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

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

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

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: D D M M Y Y Y Y

SHAREHOLDER ACCOUNT INFORMATION

Surname/Company's Name　First Name　Other Name

Address

City　State　Country

Previous Address (if any)

Clearing House Number (CHN) (if any)　C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

Signature: ____________　Signature: ____________
Joint/Company's Signatories

Company Seal *(if applicable)*

DISCLAIMER
"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE	A/C No
1. AFRICA PRUDENTIAL PLC	
2. ABBEY MORTGAGE BANK PLC	
3. AFRILAND PROPERTIES PLC	
4. ALUMACO PLC	
5. A & G INSURANCE PLC	
6. A.R.M LIFE PLC	
7. ADAMAWA STATE GOVERNMENT BOND	
8. BECO PETROLEUM PRODUCTS PLC	
9. BUA GROUP	
10. BENUE STATE GOVERNMENT BOND	
11. CAP PLC	
12. CAPPA AND D'ALBERTO PLC	
13. CEMENT COY. OF NORTHERN NIG. PLC	
14. CSCS PLC	
15. CHAMPION BREWERIES PLC	
16. CWG PLC	
17. CORDROS MONEY MARKET FUND	
18. EBONYI STATE GOVERNMENT BOND	
19. GOLDEN CAPITAL PLC	
20. INFINITY TRUST MORTGAGE BANK PLC	
21. INVESTMENT & ALLIED ASSURANCE PLC	
22. JAIZ BANK PLC	
23. KADUNA STATE GOVERNMENT BOND	
24. LAGOS BUILDING INVESTMENT CO. PLC	
25. MED-VIEW AIRLINE PLC	
26. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*	
27. NEXANS KABLEMETAL NIG. PLC	
28. OMOLUABI MORTGAGE BANK PLC	
29. PERSONAL TRUST & SAVINGS LTD	
30. P.S MANDRIDES PLC	
31. PORTLAND PAINTS & PRODUCTS NIG. PLC	
32. PREMIER BREWERIES PLC	
33. RESORT SAVINGS & LOANS PLC	
34. ROADS NIGERIA PLC	
35. SCOA NIGERIA PLC	
36. TRANSCORP HOTELS PLC	
37. TRANSCORP PLC	
38. TOWER BOND	
39. THE LA CASERA CORPORATE BOND	
40. UACN PLC	
41. UNITED BANK FOR AFRICA PLC	
42. UNITED CAPITAL PLC	
43. UNITED CAPITAL BALANCED FUND	
44. UNITED CAPITAL BOND FUND	
45. UNITED CAPITAL EQUITY FUND	
46. UNITED CAPITAL MONEY MARKET FUND	
47. UNIC DIVERSIFIED HOLDINGS PLC	
48. UNIC INSURANCE PLC	
49. UAC PROPERTY DEVELOPMENT COMPANY PLC	
50. UTC NIGERIA PLC	
51. WEST AFRICAN GLASS IND PLC	

OTHERS: ____________

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos. Tel: 07080606400
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja. Tel: 09-2900873
PORT-HARCOURT: Plot 137, Olu-Obasanjo Road (2nd Floor). Tel: 084-303457
E-MAIL: cfc@africaprudential.com | www.africaprudential.com | @afriprud

Africa Prudential

E-SERVICE/DATA UPDATE FORM

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

1. *SURNAME/COMPANY NAME
2. *FIRST NAME
3. OTHER NAME
4. *GENDER M F
5. E-MAIL
6. ALTERNATE E-MAIL
7. *DATE OF BIRTH D D M M Y Y Y Y
8. *MOBILE (1) (2)
9. *ADDRESS
10. OLD ADDRESS *(if any)*
11. *NATIONALITY
12. *OCCUPATION
13. *NEXT OF KIN NAME MOBILE
14. *MOTHER'S MAIDEN NAME
15. BANK NAME
16. A/C NO.
17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y
19. BANK VERIFICATION NO. (BVN)
20. NAME OF STOCKBROKING FIRM
20. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

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

SIGNATURE ______________________

SIGNATURE ______________________
for joint/corporate accounts only

DISCLAIMER
"In no event shall Africa Prudential Plc be liable for any damages , losses or liabilities including without limitation, direct or indirect, special, incidental, consequential damages, losses or liabilities, in connection with your use of this form or your inability to use the information, materials, or in connection with any failure, error, omission, defect, delay in operation or transmission, or system failure, even if you advice us of the possibility of such damages, losses of expenses, whether express or implied in respect of such information."

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

CLIENTELE	A/C No
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Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

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

Affix recent passport photograph

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

SECTION A:

SHAREHOLDER'S FULL NAMES: ______________________

Surname *First Name* *Middle Name*

ADDRESS: ______________________

GSM NUMBER: ______________________ E-MAIL: ______________________

CSCS INVESTOR'S A/C NO.: ______________________ CLEARING HOUSE NUMBER(CHN): C ______________________

REGISTRAR'S ID NO (RIN): ______________________

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ______________________ BANK: ______________________

BANK A/C NUMBER: ______________________ *Must be NUBAN*

BVN: ______________________ *Must be confirmed by bank*

AGE OF A/C: ______________________ *Must be confirmed by bank*

Authorized Signature (1)
(and stamp of Stockbroker)

Authorized Signature (2)
(and stamp of Stockbroker)

Shareholder's Signature & Date

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

Thumb Print

CERTIFICATE DETAILS

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

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

Company Seal

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

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

CERTIFICATE DETAILS

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

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

Dated this ________ day of _______ 20______

Name:______________________

Signature:______________________

Joint (2) (if applicable): ________________

Joint (3) (if applicable): ________________

Company Seal

In the Presence of:

Name:______________________**GSM NO:**______________________ **Signature:**______________________

Address: ______________________

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

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

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

Company Seal

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30th 1987-2017
Anniversary

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