transcorp Hotels

2020

ANNUAL REPORT & FINANCIAL STATEMENTS

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Overview

Company Overview

About Transcorp Hotels

Transcorp Hotels Plc is the hospitality subsidiary of Transnational Corporation of Nigeria Plc ("Transcorp"). Transcorp is 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 and building strong footprints in high population cities across Africa. 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 deliver 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. Transcorp Hotels Plc continues to set and indeed lead the pace in hospitality excellence in Nigeria and on the Continent. Despite the impact of the pandemic, the Company won seven (7) Awards both locally and Internationally.

> *"The future we all want for ourselves is one of our own making"* – Tony O. Elumelu, CON

Our Philosophy

Our philosophy is based on the principle of Africapitalism, which posits that the private sector is key to unlocking Africa's economic and social potential.

Africapitalism is a call to action for businesses to promote growth and development in communities and nations they operate in, which will ultimately help businesses become more profitable, provide a healthy and educated workforce and create entrepreneurs who become suppliers and service providers.

Corporate History

1994
Transcorp Hotels Plc was incorporated 12th July 1994

1998
The Company's name changed from Nicon Risk Management and Survey Limited to NIRIMSCO Properties Limited in May 1998

2007
On 13th June 2007, the Company's name was changed from NIRIMSCO Properties Limited to Transnational Hotels and Tourism Services Limited

2014
On 23rd July 2014, it became a Public Limited Company; thus, the name changed to Transnational Hotels and Tourism Services Plc

2014
On 31st July 2014, the Company's name was changed to Transcorp Hotels Plc

2014
Initial Public Offer (IPO) November 2014

2015
Listing on NSE as a quoted Company in January 2015

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"

Our Core Values

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.

ENTERPRISE

Having the willingness and determination to do whatever it legitimately and ethically 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 deliver innovative initiatives.

EXCELLENCE

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.

EXECUTION

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

Corporate Goals

A. Owning 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.

B. Providing Extraordinary Service

- To constantly anticipate our guests and clients 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.

C. Re-defining Hospitality Standards Across the Continent

- 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.

D. Remaining Truly and Authentically African

- To create an exciting and aesthetically stimulating "home away from home" experience for our guests and clients.

Our Assets (2 Brands, 1 Vision)

With hospitality experience spanning over 30 decades, Transcorp Hotels brands are individually distinct and collectively unique. Our growing portfolio of award winning and innovative brands are paving the way for superior guest experience across our key locations.

Transcorp Hilton Abuja

Transcorp Hilton Abuja is one of the largest hotels in Sub-Saharan Africa, with 670 rooms, providing 5-star hospitality, leisure and entertainment facilities targeted at individuals and corporate bodies with a taste for luxury and upscale products.

The hotel has 10 floors for guest room accommodation, 2 mezzanine floors for meeting rooms and offices, the ground floor with shops, a swimming pool, main lobby, reception, Pastry Corner Shop, Zuma Grill, Bukka and an Oriental restaurant. The hotel also has a one-storey Congress Centre attached to it by a covered walkway, designed to seat a capacity of 1,200 theatre style.

The hotel runs efficiently, operating like a small city, with its own water works, security, fire detection and fire-fighting systems, engineering and automobile workshop, plant nursery, medical clinic, as well as powerful systems to manage waste disposal, transportation and power generation. The 670 rooms include the 104 executive rooms and suites. The hotel room facilities include private bath, individually controlled air-conditioning, mini bar, direct telephones with voice mail, radio, interactive satellite TV, electronic in-room safe, tea/coffee making machine, high speed internet access, non-smoking rooms, and rooms for people with special needs.

The hotel provides a large selection of recreational activities, such as 3 Tennis Courts, 3 air-conditioned Squash Courts with glass back, Basketball and Volleyball Courts, mini Golf Course, Children's Playground, Fitness Center equipped with modern cardio and strength training equipment, hexagonal outdoor swimming pool and Children Wading Pool, Badminton and Aerobics studio.

Other hotel services include shopping arcade, medical clinic and dental facilities, babysitting services (on request), simultaneous translation, express laundry and dry-cleaning services, beauty salon, international and local airline desks, Nigerian handicraft village and casino.

Transcorp Hilton Abuja is a member of the Hilton family of brands, one of the best-known hotel brands in the world. For more than 100 years, the Hilton brand has been synonymous with excellence in the hospitality industry and, in line with its excellent pedigree, Transcorp Hilton Abuja has remained a leader within Sub-Sharan Africa for over three decades.

Transcorp Hotels Calabar

With a fresh, relaxed, contemporary style inspired by the scenic beauty of Calabar, Transcorp Hotels Calabar remains the city's most welcoming hotel – a reputation built over 42 years.

The property is conveniently located in the heart of Cross River State's capital city, Calabar and places you central to everything, from your business clients to numerous tourist attractions.

Over the years, Transcorp Hotels Calabar has established a name for itself as Calabar's premier destination hotel, providing premium hospitality services to guests, while reflecting the rich culture and history of the region, creating unforgettable experiences for discerning travelers.

The hotel's 130 rooms and suites are tastefully designed and carefully fitted for a comfortable business and recreational experience. The rooms range from classic to executive suites and pool side chalets. The ambience of our property makes Transcorp Hotels Calabar the perfect get-away for business and leisure travellers.

As industry leader in the hospitality sector, the hotel offers an array of venues that positions itself perfectly for variety of occasions. Transcorp Hotels Calabar prides itself in offering custom-crafted conferencing, events and recreational facilities to the delight of its customers. Other offerings within the hotel include, a swimming pool, fine dining, 24-hour room service, fitness centre, laundry services, complimentary airport pick-up, complimentary Wi-Fi in all guest rooms and guest discounts with selected local merchants.

Results at a Glance

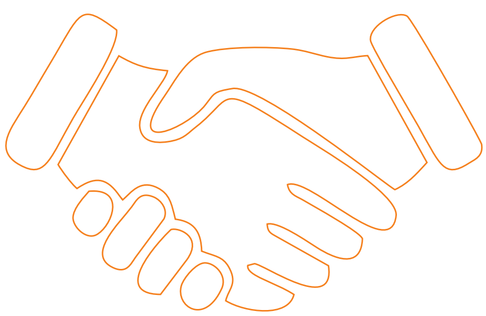
For the year ended 31 December	Group 2020 N'Million	2019 N'Million	± Variance (%)
Gross earnings*	10,382	20,914	-50%
Cost of Sales	(3,489)	(5,076)	+31%
Gross Profit	6,893	15,838	-56%
Administrative Expenses	(8,289)	(10,411)	+20%
Termination/Retirement Benefits	(2,238)	-	-
Finance cost	(5,306)	(4,303)	-23%
(Loss)/Profit Before Tax	(8,940)	1,124	-895%
(Loss)/Profit After Tax	(6,276)	614	-1122%
As at 31 December			
Non-Current Assets	107,929	108,777	-1%
Current Assets	4,994	5,970	-16%
Total Assets	112,923	114,746	-2%
Share Capital	5,121	3,800	+35%
Shareholders Fund	61,104	57,545	+6%
Number of Employees	768	1,452	-47%

For the year ended 31 December	Company 2020 N'Million	2019 N'Million	± Variance (%)
Gross Earnings*	9,870	20,049	-51%
Cost of Sales	(3,276)	(4,782)	+31%
Gross Profit	6,594	15,267	-57%
Administrative Expenses	(7,793)	(9,831)	+21%
Termination/Retirement Benefits	(2,238)	-	-
Finance Cost	(5,306)	(4,303)	-23%
(Loss)/Profit Before Tax	(8,743)	1,134	-871%
(Loss)/Profit After Tax	(6,131)	634	-1067%
As at 31 December			
Non-Current Assets	105,561	106,361	-1%
Current Assets	4,996	5,885	-15%
Total Assets	110,556	112,246	-2%
Share Capital	5,121	3,800	+35%
Shareholders Fund	61,443	57,739	+6%
Number of Employees	660	1,374	-52%
Per Share Data			
Earnings Per Share (Kobo)	(75)	8	-1038%
Net assets per share (Kobo)	600	760	-21%

*Gross earnings include other income and finance income.

Board of Directors

Directors	Designation	Changes
Mr. Emmanuel Nnorom	Chairman	
Mrs. Dupe Olusola	Managing Director/CEO	Appointed March 25, 2020
Mrs. Owen Omogiafo	Non-Executive Director	
Mrs. Helen Iwuchukwu	Non-Executive Director	Appointed NED October 21, 2020
Mr. Valentine Ozigbo	Non-Executive Director	
Mr. Peter Elumelu	Non-Executive Director	
Mr. Adim Jibunoh	Non-Executive Director	Resigned October 14, 2020
Mr. Alex Okoh	Non-Executive Director	
Hajia Saratu Umar	Independent Non-Executive Director	
Mr. Alexander Adeyemi	Non-Executive Director	



Officers and Professional Advisers

Acting Group Company Secretary
Mr. Chike Anikwe

Registered Office
1, Aguiyi Ironsi Street
Maitama, Abuja

Registration number:
RC 248514

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

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

Bankers
United Bank for Africa Plc
UBA House
57, Marina, Lagos
Nigeria.

Directors' Profile

Emmanuel N. Nnorom, Chairman

(Appointed to the Board on 13 January 2014)

Mr. Emmanuel Nnorom is currently the Chief Executive Officer (CEO) of Heirs Holdings (HH) Group. Prior to this appointment, he served as President/CEO of Transnational Corporation of Nigeria Plc (Transcorp), President/Chief Operating Officer (COO) of Heirs Holdings Group, and 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 COO, with responsibility for Finance and Risk.

He is a Chartered Accountant with over 3 decades of professional experience in the corporate and financial sectors, working with publicly listed companies.

Emmanuel Nnorom 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).

Dupe Olusola, MD/CEO

(Appointed to the Board on 25 March 2020)

Mrs. Dupe Olusola is currently the Managing Director/CEO of Transcorp Hotels Plc. Prior to her current role, Dupe was the Group Head, Marketing for United Bank for Africa Plc, one of Africa's leading financial services providers with presence in over 23 countries. She was also the Group Head Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS). Through her leadership, there was a meritorious expansion in the Bank's stake in the EMDOs & GIS sector across Africa and beyond. Dupe has a deep knowledge of several corporate and retail market economies.

Before joining UBA, Dupe had a distinguished career as the Managing Director and Chief Executive Officer of Teragro Commodities Limited (an indigenous agricultural company). She spearheaded a partnership with Coca-Cola to produce Five Alive Pulpy Orange Juice, making Teragro the sole local material source for the juice in Nigeria.

Her professional experience spans various sectors locally and internationally in capacities that encompass private equity from African Capital Alliance, investments and SME experience from Growing Business Foundation, Bloomberg Financial Markets UK, SecTrust (now Afriinvest), Transcorp Corporation and Northern Trust Corporation of Chicago, UK.

Dupe studied Economics at the University of Leicester, United Kingdom and obtained her M.A in Development Economics from the University of Kent. She is Prince 2, PMP and Investor Management Certified (all UK). She is passionate about women development and empowerment, economic development of under-developed countries and financial inclusion for the disadvantaged in the society. She was a speaker at the Harvard Kennedy School (delivered a paper on Financial Inclusion).

She was named on Ventures Africa's 10 Most Influential Nigerian CEOs of 2015.

Owen Omogiafo, Non-Executive Director

(Appointed to the Board on 1 January 2019)

Mrs. Owen Omogiafo is the President and Group CEO of Transnational Corporation of Nigeria Plc. Prior to her appointment, she served as the MD/CEO of Transcorp Hotels Plc where she was responsible for driving positive transformation both in Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Owen has over two decades of corporate experience in organisational development, human capital management, banking, change management, hospitality, and energy. She was the Chief Operating Officer at the Tony Elumelu Foundation, before joining the Transcorp group, where she oversaw the $100m Programme aimed at identifying, mentoring, and funding 10,000 entrepreneurs over 10 years. She also worked as the Director of Resources at Heirs Holdings Limited, a family-owned investment company chaired by Tony O. Elumelu, CON. Her experience equally includes working at the United Bank for Africa Plc as HR Advisor to the GMD/CEO, and at Accenture as an Organisation and Human Performance Consultant, specializing in Change Management. She sits on the Board of Avon Healthcare Limited in a non-executive capacity and is a member of the Finance, Investment & Risk Committee as well as the Audit & Governance Committee of the Company. She is also a member of the Board of Trustees of the Association of Power Generation Companies (APGC) in Nigeria.

Owen holds a B.Sc. in Sociology & Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics and Political Science, and an alumnus of the Lagos Business School and IESE Business School, Spain. She is a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, and is also a member of the Institute of Directors (IoD) Nigeria.

In recognition of her many contributions to the economic and social development of Nigeria, Owen has won numerous awards. To mention a few, in 2018 she was named in the YNaija! Power List for Corporate Nigeria while in 2019; was recognised as one of the Top 100 Female CEOs in Africa by Reset Global People as well as one of Nigeria's Leading Ladies in Corporate Nigeria by Leading Ladies Africa; and was also recognised by The Guardian Newspapers as one of Nigeria's 100 most inspirational women. Recently, she was listed among the 100 Most Influential African Women in 2020 by the Avance Media Group. Owen has also been awarded one of the 2020 Top CEOs and Next Bulls Awards in Nigeria by Business Day Media and the Nigerian Stock Exchange. This award category recognized CEOs of listed companies who through sound strategy, disciplined execution, world-class governance, and a customer-first ethos have delivered competitive shareholder value on the Nigerian Stock Exchange.

Valentine Ozigbo, Non-Executive Director

(Appointed to the Board on 10 October 2011)

Mr. Valentine Chineto Ozigbo was the immediate past President/CEO of Transnational Corporation of Nigeria Plc (Transcorp). Prior to this, he was the Managing Director and CEO of Transcorp Hotels Plc. He is a banker and Chartered Accountant with over 20 years' experience in commercial, retail, investment and international banking. Valentine is a graduate of Lancaster University, UK, where he bagged 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 (UNN), Nsukka. He is an alumnus of the Global CEO Program of the Lagos Business School, Strathmore University Business School and the IESE Business School, Spain.

He is a Fellow of the Institute of Chartered Accountants of Nigeria, the Chartered Institute of Taxation of Nigeria, the Institute of Credit Administration and the Institute of Tourism Professionals. He is also a Chevening Scholar and a member of the Institute of Directors (IoD) Nigeria.

Prior to joining Transcorp Hotels Plc, Valentine spent 17 years in the banking industry and was the General Manager and Divisional Head in charge of Global Transaction Banking at Keystone Bank Plc, successor to Bank PHB, Divisional Head of International Banking and Head of Global Strategic Alliances at United Bank for Africa Plc. Valentine has also worked with FSB International Bank Plc (now Fidelity Bank Plc), Continental Trust Bank Limited (now part of UBA) and Diamond Bank Plc.

Helen Iwuchukwu, Non-Executive Director

(Appointed to the Board on 12 February 2020)

Mrs. Helen Iwuchukwu is the CEO at RedH Consulting and Advisory Limited.

She is passionate about helping organisations resolve complex corporate challenges, manage change and improve operational efficiency. As a Consultant, she advises and works with organisations to help them improve their business performance in operations and profitability. Her expertise cuts across a variety of areas, including employment law advisory and workforce rationalisation, rendering Legal and Company Secretariat services, institutionalising Corporate Governance and a culture of regulatory compliance.

Mrs. Iwuchukwu has experience in various roles and in diverse sectors with over 25 years post-call professional work experience both in Nigeria and the United Kingdom.

Prior to consulting and advisory, she was the Executive Director/Chief Operating Officer of Transcorp Hotels Plc. (Owners of Transcorp Hilton Abuja), a role she was appointed to in February 12, 2020. She resigned as an Executive Director effective October 20, 2020 and was appointed as a Non-Executive Director with effect from October 21, 2020.

Before her appointment as the Executive Director/Chief Operating Officer of Transcorp Hotels Plc, she was Group Company Secretary of Transnational Corporation of Nigeria Plc (Transcorp) where she served as Company Secretary to Transcorp Plc, Transcorp Power Limited, Transcorp Hotels Plc and also served as the Company Secretary / Legal Adviser for Transcorp Group, covering Transcorp Plc and other Companies within the Transcorp Group for many years. She joined Transcorp Plc in 2006 and has held several sensitive and key positions at Transcorp and its subsidiaries.

Mrs. Iwuchukwu 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 Nigeria. in 1993 (BL Hons) and holds a Master of Laws degree (LLM) from Middlesex University Business School, London. She is a specialist in Employment Law.

She is a member of the Institute of Directors (IoD) Nigeria and the Nigerian Bar Association.

Peter Elumelu, Non-Executive Director

(Appointed to the Board on 11 November 2014)

Mr. Peter Elumelu holds a Bachelor of Science degree in Business Management from Rivers State University of Science and Technology, Port Harcourt, Bachelor of Law (LLB) from National Open University of Nigeria 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.

Mr. Peter Elumelu is an astute businessman with over 3 decades of professional experience cutting across the private and public sectors of the economy. He currently sits on the Board of several companies including Africa Prudential Plc, and Pet Jibson & Company Limited, where he is the 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 (IoD) Nigeria.

Alex Okoh, Non-Executive Director

(Appointed to the Board on 28 April 2017)

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. Mr. Okoh is a member of the Presidential Economic Advisory Council.

He has over 35 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 over 10 years' experience in management consultancy, having functioned as the Managing Partner of Ashford & McGuire Consulting Ltd, a wholly indigenous top consulting firm. Mr. 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.

Saratu Umar, Independent Non-Executive Director

(Appointed to the Board on 7 October 2016)

Hajia Saratu Umar is a 1989 graduate of B.Sc. Economics from Ahmadu Bello University Zaria, and holder of an MBA degree with specialisation in Finance and Banking. A well-rounded Banker, Economist, Strategist, Investment promotion specialist, notable Change Agent and Change Manager, who constantly aims for the 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-six 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 Banking, as well as in Leadership, Strategy and Management, she has also worked on various projects with several 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. Hajia Saratu Umar 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 which is the 2012 International Distinguished Leadership Award.

Alexander Adeyemi, Non-Executive Director

(Appointed to the Board on 15 July 2019)

Mr. Alexander M. Adeyemi, FCA, FCTI, mni, comes with over 25 years finance and accounting experience, working in the public and private sectors including International organisations.

He currently serves as Director, Revenue and Investment in the Office of the Accountant-General of the Federation. An alumnus of Bayero University Kano, he obtained a Master's degree in Business Administration (MBA) from Ahmadu Bello University, Zaria.

He is a Fellow, Institute of Chartered Accountants of Nigeria (ICAN); Fellow, Chartered Institute of Taxation of Nigeria (CITN); and Member, Institute of Bankers, London. He is also a member of the Chartered Institute of Public Finance and Accountancy (CIPFA), London and the Certified Information System Auditor (CISA) as well as a distinguished fellow of the National Institute (mni).

He is presently the Director overseeing the affairs of Ministry of Finance Incorporated (MOFI) in the Office of the Accountant-General of the Federation.

Management Team

Dupe Olusola
Managing Director/CEO

Mrs. Dupe Olusola studied Economics at the University of Leicester, United Kingdom and obtained her M.Sc. in Development Economics from the University of Kent. She is Prince 2, PMP and Investor Management certified (all UK).

Dupe Olusola has over 21 years corporate experience spanning various sectors locally and internationally. Her professional experience cuts across various sectors in capacities that encompass private equity from African Capital Alliance, investments and SME experience from Growing Business Foundation, Bloomberg Financial Markets UK, SecTrust (now Afriinvest), Transcorp Corporation and Northern Trust Corporation of Chicago, UK.

Prior to joining Transcorp Hotels Plc, Dupe was the Group Head, Marketing for United Bank for Africa Plc., one of Africa's leading financial services providers.

Prior to this, she was the Group Head, Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS). Through her leadership, there was meritorious expansion in the Bank's stake in the EMDOs & GIS sector across Africa and beyond.

Dupe has a deep knowledge of several corporate and retail market economies. Before joining UBA, Dupe had a distinguished career as the Managing Director and Chief Executive Officer of Teragro Commodities Limited (an indigenous agricultural company). She spearheaded a partnership with Coca-Cola to produce Five Alive Pulpy Orange Juice, making Teragro the sole local material source for the juice in Nigeria.

She is passionate about women development and empowerment, economic development of under-developed countries and financial inclusion for the disadvantaged in the society. She was named on Ventures Africa's 10 Most Influential Nigerian CEOs of 2015.

Ifeoma Okafor-Obi
Business Development Director, Aura

Mrs. Ifeoma Okafor-Obi holds a B.Sc. in Biochemistry from the University of Nigeria. An Associate of the Institute of Directors (IoD) Nigeria, she holds their International Certificate of Corporate Governance and Independent Director certification. Ifeoma is additionally a trainer on entrepreneurship, a coach, a mentor and an author and has been a Speaker at various conferences such as the Dakar International Forum on Peace & Security; the International Labor Organisation (ILO)'s 14th Africa Regional Meeting; the Launch of Creating Decent Jobs - Strategies, Policies, and Instruments of the African Development Bank (AFDB) in Abuja; and the Africa Union (AU)'s 1st West African StartUps Summit.

Ifeoma joined the Transcorp Hotels Plc (THP) Team in 2021 as the Business Development Director for Aura, an integral pillar of the Asset-Light Strategy. Prior to joining THP, Ifeoma worked as Director of Operations at Tony Elumelu Foundation (TEF). She had also served as the Chief Executive Officer of 360 Brains & Brawn Ltd where she designed and implemented the CEO hub, a series of lectures and interventions to upskill SME CEOs. She has also worked in multinationals such as Procter & Gamble (P&G), Diageo and Coca-Cola International.

She is the 2021 John E. Pepper Humanitarian Awardee, an award given annually by the past P&G Global CEO John E. Pepper to the best alumni worldwide who exemplifies "*… an individual who has made a significant contribution to the human condition through their time, effort or expertise, whether this was a single event or a lifetime of work…. to recognize actions that go well beyond efforts in a single community or location and serve mankind as a whole.*"

Oluwatobiloba Ojediran
Chief Finance Officer

Mrs. Oluwatobiloba Ojediran is the Chief Finance Officer of Transcorp Hotels Plc. She earned a second-class upper degree (B.Sc) in Mathematics and Statistics from the University of Lagos, Nigeria.

With over a decade of professional experience, Oluwatobiloba started her professional career at KPMG Professional Services, one of the internationally acclaimed professional firms, where she provided accounting, audit and advisory services to clients. She subsequently worked at Intercontinental Hotel, as Finance Manager, gaining financial and operational experience in the hospitality industry.

Prior to joining Transcorp Hotels Plc, Oluwatobiloba returned to professional practice with KPMG Professional Services where she consulted as a Financial Auditor under the Growth and Employment program (GEM), a World Bank funded project being implemented by the Federal Ministry of Industry, Trade and Investment.

She has professional skills in financial and corporate reporting, budgeting, audit and investigation, IFRS advisory, financial modelling, and project management. She is a member of the Institute of Chartered Accountants of Nigeria (ICAN) and a level 2 candidate of the Chartered Financial Analyst (CFA) Institute.

Mr. Chike Anikwe holds an LL.B (Hons) degree in Law from the University of Nigeria, a B.L from the Nigerian Law School, an LL.M in Corporate & Securities Law from University College London. He joined Transcorp Plc in 2013 as Legal Manager; in 2017, his role in Transcorp was expanded to Legal Manager and Assistant Group Company Secretary.

Prior to joining Transcorp, Chike was a Senior Associate at Aluko & Oyebode, a premier law firm, where he acquired 5 years experience in project financing, corporate, structured and trade finance transactions and general business advisory for multinationals, international organisations, development finance institutions and governments.

He is a member of the Nigeria Bar Association (NBA), the Law Society of England and Wales, the Chartered Institute of Taxation of Nigeria and the Nigeria Leadership Initiative. He is also a solicitor of the Senior Courts of England and Wales (non-practising). Chike has over 15 years of experience and skills in legal and transaction advisory, company secretarial, corporate governance and related practices.

Chike Anikwe
Acting Group Company Secretary

Mrs. Irene Nwankwo earned a Second-Class upper degree (B.Sc) 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 and 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 Plc, 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 over twelve (12) years 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 Association of Chartered Certified Accountants (ACCA).

Irene Nwankwo

Head, Internal Audit

A 40-year hospitality veteran, Mr. Kevin Brett began his career with Hilton Worldwide in 1979 as Assistant Front Office Manager at the London Hilton on Park Lane in London, United Kingdom.

He has held top management positions in 17 international hotels in 11 countries across South East Asia, Europe and the Middle East. He was at various times General Manager at Hilton London Islington, Hilton Bahrain, Hilton Abu Dhabi and Conrad Cairo. Before joining Transcorp Hilton Abuja in January 2019, Kevin was the Cluster General Manager at Jeddah Hilton and Waldorf Astoria Jeddah-Qasr Al Sharq, Kingdom of Saudi Arabia from 2012 until December 2018.

Kevin is a British national and is married with 3 children. In his spare time, he enjoys public speaking, food and wine appreciation, skiing, tennis, swimming, fitness training and sports in general. His hobbies also include music and the arts and all aspects of wildlife and conservation.

He is a member of Chaine des Rotisseurs and Le Conseil des Echason de France amongst other professional memberships.

Kevin Brett

General Manager,
Transcorp Hilton Abuja

Mr. Chuma Mgbojikwe holds an M.Sc in International Hotel and Tourism Management from Oxford Brookes University, Oxford, UK and a B.Sc in Estate Management from the University of Greenwich, UK. He is also a Fellow of the Institute of Tourism Professionals. He is a consummate hospitality services professional with over 22 years corporate experience spanning some of the biggest hotel chains in the world, such as Marriott, Hilton and the Wyndham Hotels.

He joined Transcorp Hotels Plc in 2013 and has overseen several projects to improve the facility for better guest experience, working with the entire team to keep Transcorp Hotels Calabar as the number one guest destination.

Chuma was recognized as one of the top 100 Tourism Personalities in Nigeria by African Travel Quarterly (ATQnews), a list of the biggest and best tourism practitioners in the country.

Chuma Mgbojikwe

General Manager,
Transcorp Hotels Calabar

Strategy and Business Review

Chairman's Statement

Distinguished Shareholders, Members of the Board of Directors, Ladies, and Gentlemen.

It is with great pleasure that I welcome you to the 7th Annual General Meeting, of your Company, Transcorp Hotels Plc ("Transcorp Hotels" or "The Company").

I address you today as the COVID-19 pandemic continues to bring about unprecedented challenges. Apart from its human impact, there is also a significant impact on businesses being felt globally, with the hospitality industry among the worst hit.

Looking back at the financial year, 2020 started on an optimistic note with customer-focused growth strategies set in place to surpass the impressive N20bn revenue performance in 2019. Indeed, we began implementing these strategies with positive outcomes achieved in the first 2 months of the year. However, the pandemic struck, and with it came an immediate and severe impact on patronage due to restrictions on local and international movement. Our priorities were to ensure the safety of our staff, customers, and the business.

Health & Safety

We put in place government-prescribed safety standards and procedures as well as international best practices to ensure a safe environment at our properties. In Abuja, the Hilton Cleanstay program, which is still observed and enforced at our premises, was introduced. The Cleanstay program employs the use of trusted quality brands to build on our already rigorous cleaning standards to enhance guest confidence in the safety of the hotel. The Cleanstay protocol was replicated in our property in Calabar. We also employed efficient strategies to enable some staff to work from home.

Revenue

Our drive to generate revenue despite the lockdown, as well as concerted efforts to promote our EventReady packages to our clients, helped us to outperform the industry average on key performance indicators. Through our resilience in product re-engineering and aggressive marketing, we were able to deliver a gross revenue of N10bn. Whilst modest, this puts us on the path to advancing our enterprise for your benefit, even as the world continues to grapple with socio-economic challenges.

Bond Repayments

We continue to meet our Bonds obligations promptly. A total of N2.66bn and N3.36bn were paid on the Series 1 and Series 2 Bonds respectively, both covering principal and coupon repayments for the year 2020. The Series 2 has been completely paid off.

Capital Structure

To mitigate against refinancing risks and shore up liquidity, we successfully raised N9.9bn additional equity via a Rights Issue. This represents a 99.34% allotment of the total N10bn Rights Issued. The proceeds of the Rights Issue were used to optimize the Company's leverage position and reduce finance costs in the medium term, by settling existing borrowings with high cost. We thank our esteemed Shareholders for approving the Board's request for the Rights Issue at the Extraordinary General Meeting, which was held on 29th June 2020.

Dividend

We remain committed to returning profit on your investment. However, due to a loss before tax of N8.7bn recorded in the year, and the need to continue to optimally restructure our capital, the Board of Directors are unable to recommend dividend payment. We look forward to improved results in 2021.

Outlook for 2021

Amid "exceptional uncertainty", the global economy is set to take a shot at recovery and is projected to grow by 5.2% (IMF estimates), largely due to the announcement and approval of effective COVID-19 vaccines. However, the lingering second wave and each country's strength of recovery will depend on access to medical intervention - the speed, scale, and long-term effectiveness of the vaccines are critical.

According to the IMF, it is even more urgent than ever, that African economies implement transformative domestic reforms to promote resilience, including revenue mobilization, digitalization, and fostering better transparency and governance. The non-oil sectors are expected to spearhead the economic recovery with the Services sectors growing by 2.69%. For our business, it is imperative therefore that our posture is aggressive towards improving the efficiency of existing businesses and ensuring the introduction of new lucrative streams of revenue.

We will continue to grow and diversify our portfolio of innovative products & services that will deliver a strong performance as well as superior guest experience and excellent service across our key locations.

Conclusion

We have successfully navigated through the turbulence of the past year, maintaining our position as the Number 1 hospitality brand in the country. We look to the future with excitement and optimism, albeit conscious of the fact that we are still fighting a global pandemic.

Across board, all the stakeholders of this Company have risen to the challenge that faced us as an entity, and I am extremely proud of what we have achieved together.

I would like to appreciate our esteemed shareholders for their steadfast support towards achieving our shared goals of making Transcorp Hotels Plc, Africa's premier hospitality brand.

We will continue to grow and diversify our portfolio of innovative products & services that will deliver a strong performance as well as superior guest experience and excellent service across our key locations.

I am also grateful to our regulators for their invaluable guidance and oversight.

I thank our technical partners, Hilton Worldwide, our employees, Executive Management, and Directors, who have continued to drive excellence through customer-focused service delivery.

Finally, my unreserved gratitude goes to our guests who have remained loyal through the years. Please be assured of our commitment to continually evolve and deliver best-in-class standards.

Thank you.

Emmanuel N. Nnorom
Chairman, Board of Directors

CEO'S Report

Ladies and Gentlemen,

I am delighted to welcome you to Transcorp Hotels Plc's 7th Annual General Meeting; my first full year as Managing Director/CEO after I assumed office on the 25th of March 2020.

I resumed office at a time when the world was beginning to comprehend the unprecedented global reach and impact of the COVID-19 pandemic and its evolving level of disruption to the world's economies. The hospitality industry was particularly affected by the ensuing restriction on local and international travel, and limitations on social interaction - indeed trying times for all.

Our primary goal was to survive as individuals and as a business, to adapt and to thrive in a new, changing, and unprecedented environment. My team and I were focused on quickly adjusting to the "new normal" and remained positive and proactive as we introduced and successfully implemented our strategies and initiatives for the season.

We took a critical and fundamental decision to remain open and maintain operations at both the Transcorp Hilton Abuja and Transcorp Hotels Calabar, assessing that the cost to shutdown and restart outweighs the cost of 'keeping the lights on' during the 3-month lockdown between March and June. It was also important for us that at this trying time, we support our long staying guests, who had made the hotel their home.

Our priority was to implement strategies and protocols aimed at promoting the safety of our employees, guests, and stakeholders.

We put in place notable strategies and novel, innovative initiatives aimed at curtailing and turning around our loss position. Some of these included:

1. Launching of new business lines and initiatives such as Drive-in Events, Food Delivery, and Pick-up Laundry Services.
2. Increased marketing to maintain visibility with our customers during the lockdown period.
3. Introduction of activities around the hotels to cater to leisure and local demand while adhering to the COVID-19 safety protocols.
4. Introduction of packages – Staycation, Work from Hotel and so much more.
5. Introduction of innovative products such as the Hilton CleanStay programme to increase guest comfort and assurance of safety.
6. Cost management activities such as workforce optimisation.

This proactive approach was pivotal in the remarkable recovery recorded in Q3 and Q4 of 2020, with monthly occupancy rising to a high of 55% in December compared to 10.9% in June. The revenue performance in December was an impressive N1.2bn, coming up to 75% of the previous year's performance for the same period, despite the current market predicament.

Income Statement

Gross revenue was N10.2bn, down 50% relative to the record high of N20bn in 2019. We expect an upward trend in 2021, targeting approximately N3.8bn in Q1, which is about 95% of 2019 performance for the same period.

It is worthy of note that our strong and continuous drive for local leisure and staycation boosted our festive season activities, as our hotel was adjured the No.1 exclusive holiday destination for families in Nigeria.

The gross profit margin has improved, following the effective cost management processes we have put in place.

We continued to execute prudent cost management practices, notwithstanding the high energy and rising raw material cost, in order to improve the Company's overall financial condition.

Balance Sheet

One of the cashflow management measures that we implemented in response to the impact of the pandemic, was to suspend further acquisition of assets during the year. This explains the decline in total assets, against the trend of year-on-year increase in previous years.

We also proactively re-negotiated payment terms of our existing contracts and received some concessions, including deferment of payment on some accrued obligations. This is reflected by a 9% decrease in the Group's total liabilities as compared to N57bn in 2019.

In view of the prevailing macro-economic challenges in the Country and their impact on the revenues of the business, the Board considered it expedient to raise additional equity via Rights Issue to reduce financing cost and optimise the Company's balance sheet. A total of N9,934,388,161.36 was raised and the net proceeds was used to repay a significant portion of the Company's medium-term borrowings.

The Company has over the years built and maintained a healthy debt capacity as well as a strong creditworthy profile having successfully paid fully its Series 2 Bond.

Equipped with a sound financial plan and clear target to stabilize our balance sheet and ultimately our leverage position, we are set to take advantage of the prevailing low interest and redeem early the Series 1 bond. The outstanding principal balance is N4.4bn and the bond currently has 2 years to maturity.

Awards and Recognitions

Our growing portfolio of innovative products & services and strong performance continues to be internationally recognised and acclaimed by guests and peers. This has paved the way for superior guest experience and excellent service delivery across our locations – Abuja and Calabar.

The Awards received during the year are clear testaments to this.

Transcorp Hilton Abuja was awarded the TripAdvisor 2020 Travelers' Choice Award Certificates for the Hotel and Bukka Restaurant.

We also received Awards at the 27th World Travel Awards in 4 categories, as:

- Africa's Leading Business Hotel
- Nigeria's Leading Business Hotel
- Nigeria's Leading Hotel
- Nigeria's Leading Hotel Suite

Transcorp Hotels Calabar, at the 2nd Edition of the Spirit of Enterprise Awards, was honoured for its remarkable impact and contribution towards promoting the spirit of enterprise in Cross River State. Additionally, our General Manager was recognised among The Top 100 Tourism Personalities in Nigeria by African Travel Quarterly (ATQnews), a list of the biggest and the best tourism practitioners in the country.

Projects

Our project strategy is driven by our keenness to deliver more ground-breaking and viable projects like the Transcorp Hilton Abuja upgrade and refurbishment, while taking due cognisance of our financial position and prevailing economic conditions. Accordingly, we have prioritised the following projects:

1) Asset Light Model

- Transcorp Hotels Plc intends to use technology to increase its footprint on the African continent. The development of our technology platform is at its pilot stage and will be fully launched in Q1 2021.

2) Transcorp Event Centre

- The 4000-square metre warehouse used to store materials during the upgrade of Transcorp Hilton Abuja is to be converted to a 3,000 capacity Event Centre. Transcorp Events will cater to an existing demand for suitable venues to host medium to large scale events such as trade fairs, concerts, weddings, and religious programmes.

3) Shared working spaces

- We plan to launch a purpose-built shared working facility at the Transcorp Hilton Abuja. The demand for this is projected to be very high due to the existing footfall and patronage in the hotel.

Our focus is to successfully complete these projects and launch the products in 2021, to give a much-needed positive boost to our revenue.

Strategic Priorities for 2021

The economic impact of the COVID-19 pandemic has further emphasised the need for us to stay focused and committed to the three strategic core values of the Group - ***Enterprise, Excellence and Execution***.

These core values will continue to guide our decision-making across the Group to ensure that we deliver superior and sustained value for our customers, shareholders, and employees.

Conclusion

We begin 2021 in a strong position, having learned valuable lessons through the turbulence of the previous year. We aim to build on our team of exceptional people, customer-focused strategy, sustainable business model and disciplined approach to financial management, to grow as a business as we continue to deliver value to all our stakeholders.

I am grateful to the Board, Management, and Staff of Transcorp Hotels Plc, Transcorp Hotels Calabar and Transcorp Hilton for going beyond the call of duty when it mattered most, and I thank the shareholders for all your support.

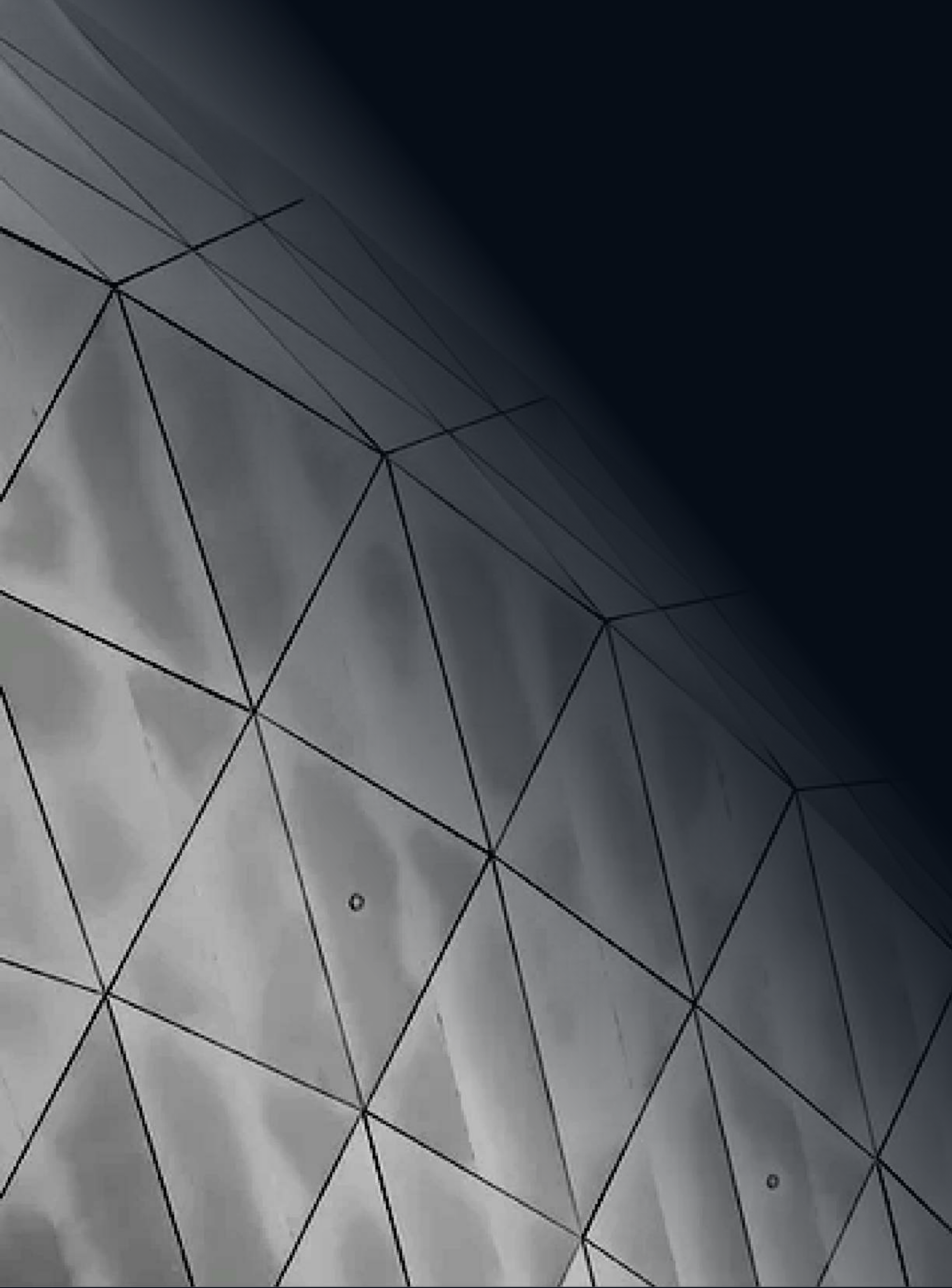
Dupe Olusola
Managing Director/CEO

Drive-In Cinema at Transcorp Hilton Abuja.

Guests at Transcorp Hilton Abuja participating in the Paint and Sip session organised at the hotel for its weekend staycation package.

Room disinfection.

The General Manager, Transcorp Hotels Calabar, Mr. Chuma Mgbojikwe with the MD Cross River State Tourism Bureau, Mr John Utsu during a COVID-19 compliance inspection visit.



Governance

Corporate Governance Report

At Transcorp Hotels Plc ("the Company") we have gone beyond the creation and delivery of long-term value to our stakeholders. We focus more on the long-term sustainability of value creation in a manner consistent with our core values. We understand that such sustainability can only be achieved with good corporate governance practices, hence our commitment to the highest standards of corporate governance.

1 Overview

During the year ended 31 December 2020, Transcorp Hotels Plc complied with the provisions of the Code of Corporate Governance, issued by the Financial Reporting Council (FRC) and the Securities & Exchange Commission (SEC), and all laws regulating corporate governance. The Company further entrenched best practices in corporate governance by formulating new policies that will enhance performance, make the business more sustainable and uphold the Company's brand equity.

The Policies updated and/or approved by the Board in 2020 were:
1. Code of Conduct & Ethics
2. Contract Policy and Procedure
3. Corporate Communication Policy
4. Cost Management Policy
5. Crisis Management Procedure
6. Data Protection Impact Assessment Policy
7. Document Management Policy
8. Health, Safety, Security and Environment (HSSE) Policy
9. Intellectual Property Protection Manual
10. Internal Audit Manual
11. IT Change Management Policy
12. Personal Data Breach Management Policy
13. Succession Policy
14. Data Privacy and Protection Policy.

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

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

- **Board and Board Committees Governance Charter**
  This Charter provides for the terms of reference, types of Committees, composition, functions, roles, responsibilities of the Board, each Committee, Non-Executive Directors, CEO, Executives, and Company Secretary. It also provides for tenor, meetings, quorum, proceedings, appointments, and the overall governance framework for the Board, Board Committees, and members. The functions and proceedings of the SAC are governed by the provisions of the Companies and Allied Matters Act, 2020 (CAMA).

- **Executive Management Charter**
  This Charter provides for the Executive Management Committee (EMC) of the Company – its composition, role, terms of reference, proceedings, and general governance framework for management. In the year 2020, the EMC comprised a total of 7 members, 90% of whom were female.

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

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

2. Board of Directors

2.1 General

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

The composition of the Board of Directors is as follows:

- The Board comprises of nine (9) Directors, four (4) of whom are female.
- The Board is made up of a mix of Non-Executive, Independent Non-Executive and Executive Directors as follows:-
  - eight (8) Non-Executive Directors (including one (1) Independent Director). One of the Non-Executive Directors has an alternate Director; and
  - one (1) Executive Director, the Managing Director/CEO
- In accordance with the provisions of the CAMA, the Nigerian Code of Corporate Governance and the Board Governance Charter of the Company, the Chairman of the Board of Directors is a Non-Executive Director. He presides over Board and general meetings but does not sit on any Board Committee.

The Board met eight (8) times in the year 2020. The details of Directors' attendance at Board meetings are disclosed on page 30 of the Annual Report.

The Board delegates its authority via the Empowerment Policy. It defines the limits of the powers and authority of the Board, each Committee, the CEO and Management. It delegates to Management certain powers to run the day-to-day operations of the Company with expenditure limits. Governance matters are reserved for the Board and any responsibility not delegated by the Board remains with the Board.

Board Appointment, Induction and Training Processes

Directors are appointed after the recommendation of the Board Audit and Governance Committee in accordance with the Board and Board Committees Governance Charter. In choosing Directors, the Company seeks individuals who have very high integrity, a good image and reputation, shareholder orientation, no conflict of interest and a genuine interest in and commitment to the Company.

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

2.2 Membership of the Board

During the year under review, the following changes occurred in the composition of the Board of Directors: there were two appointments to the Board and one exit from the Board:

Appointment

1. Mrs. Dupe Olusola was appointed as the Managing Director and Chief Executive Officer, effective March 25, 2020.

2. Mrs. Helen Iwuchukwu was appointed as an Executive Director and Chief Operating Officer on February 12, 2020. She resigned as an Executive Director effective October 20, 2020 and was appointed as a Non-Executive Director with effect from October 21, 2020.

Retirement / Resignation

1. Mr. Adim Jibunoh resigned with effect from October 14, 2020.

Consequently, the Board of Directors of the Company comprised the following as at year-end 2020:

S/N	Directors	Date appointed to the Board	Date(s) re-appointed/ re-elected	Comments	Tenure of Service
1	Mr. Emmanuel N. Nnorom	January 2014	March 2017, April 2020	Chairman	7 years
2	Mrs Dupe Olusola	March 2020	N/A	MD/CEO	1 year
3	Mrs Owen Omogiafo	January 2019	NIL	BAGC Chairman	2 years
4	Mrs. Helen Iwuchukwu	February 2020	October 2020	Non-Executive Director	1 year
5	Mr. Valentine Ozigbo	October 2011	January 2019	Non-Executive Director	9 years
6	Mr. Peter Elumelu	November 2014	March 2017, April 2020	FIC Chairman	6 years
7	Mr. Alex Okoh	April 2017	NIL	Non-Executive Director	3 years
8	Mr. Alexander Adeyemi	July 2019	NIL	Non-Executive Director	1 year
9	Hajia Saratu Umar	October 2016	March 2019	Independent Director	4 years
10	Mr. Muyiwa Oduniyi	April 2020	N/A	Alternate Director to Mr Okoh	

N/A means "Not applicable".

2.3 Board Meeting Attendance

The Board met eight (8) times in 2020. The table below shows the frequency of meetings of the Board, and of members' attendance:

Directors	No. of Meetings Required to Attend	No. of Meetings Attended	Dates of Meetings Attended	Apology
Mr. Emmanuel N. Nnorom	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Mrs. Dupe Olusola	7	7	16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Mrs. Owen Omogiafo	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Mr. Valentine Ozigbo	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Mrs. Helen Iwuchukwu	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Mr. Adim Jibunoh	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Mr. Peter Elumelu	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Mr. Alex Okoh (or Mr. Muyiwa Oduniyi)	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None
Hajia Saratu Umar	8	7	17 February, 16 April, 5 May, 3 June, 30 June, 10 October, 6 November.	20 July.
Mr. Alexander Adeyemi	8	8	17 February, 16 April, 5 May, 3 June, 30 June, 20 July, 10 October, 6 November.	None

The Directors retiring by rotation are Mr. Valentine Ozigbo, Mr. Alex Okoh and Hajia Saratu Umar.

3. Board Committees & Executive Management Committee

3.1 Board Audit & 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.

The Committee comprises:

1. Mr. Adim Jibunoh[1] - Chairman
2. Mrs. Owen Omogiafo[2] - Member
3. Mr. Valentine Ozigbo - Member
4. Mr. Peter Elumelu - Member
5. Mr. Alexander Adeyemi - Member

The BAGC met four (4) times in 2020. The table below shows the frequency of meetings of the BAGC, and of members' attendance:

Directors	No. of Meetings Required to Attend	No. of Meetings Attended	Dates of Meetings Attended	Apology
Mr. Adim Jibunoh	4	4	10 February, 9 April, 9 July, 7 October.	None
Mrs. Owen Omogiafo	3	3	9 April, 9 July 2019, 7 October.	None
Mr. Valentine Ozigbo	4	4	10 February, 9 April, 9 July, 7 October.	None
Mr. Peter Elumelu	4	4	10 February, 9 April, 9 July, 7 October.	None
Mr. Alexander Adeyemi	4	4	10 February, 9 April, 9 July, 7 October.	None

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

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 an effective system of financial and internal control is in place.
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the 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 the 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.

[1] Mr. Adim Jibunoh resigned from the Board on October 14, 2020

[2] Mrs. Owen Omogiafo was appointed as the Chairman of the Committee on October 14, 2020 following the resignation of Mr. Adim Jibunoh.

The Committee comprises:

1. Mr. Peter Elumelu - Chairman
2. Mrs. Dupe Olusola - Member
3. Mrs. Owen Omogiafo - Member
4. Mr. Valentine Ozigbo[3] - Member
5. Mrs. Helen Iwuchukwu - Member
6. Mr. Adim Jibunoh[4] - Member
7. Mr. Alex Okoh - Member

The FIC met four (4) times in 2020. The table below shows the frequency of meetings of the FIC and members' attendance:

Directors	No. of Meetings Required to Attend	No. of Meetings Attended	Dates of Meetings Attended	Meetings not Attended
Mr. Peter Elumelu	4	4	10 February, 9 April, 9 July, 7 October.	None
Mrs. Dupe Olusola	3	3	9 April, 9 July 2019, 7 October.	None
Mrs. Owen Omogiafo	4	4	10 February, 9 April, 9 July, 7 October.	None
Mrs. Helen Iwuchukwu	3	3	9 April, 9 July 2019, 7 October.	None
Mr. Valentine Ozigbo	2	2	10 February, 9 April.	None
Mr. Adim Jibunoh	2	2	10 February, 9 April.	None
Mr. Alex Okoh	4	3	10 February, 9 April, 9 July.	7 October

Each FIC meeting was attended by the CFO who presented the Financial reports and Risk Management Reports.

3.3 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 ensures the Internal Audit Charter is properly constituted. It is chaired by a shareholder and has three shareholders' representatives and three Non-Executive Directors as members. The Committee is empowered to engage the services of independent consultants in the general discharge of its duties.

The Committee members are:

1. Mr. Akaninyene Obot – Chairman
2. Mr. Adim Jibunoh – Member
3. Mr. Peter Elumelu – Member
4. Hajia Saratu Umar – Member
5. Mr. Eric Akinduro – Member
6. Mr. Gafar Erinfolami – Member

[3] Mr. Valentine Ozigbo retired from the Finance and Investment Committee on 9th April 2020

[4] Mr. Adim Jibunoh retired from the Finance and Investment Committee on 9th April 2020

The SAC met four (4) times in 2020. The table below shows the frequency of meetings of the SAC and members' attendance.

SCA Members	No. of Meetings Required to Attend	No. of Meetings Attended	Dates of Meetings Attended	Meetings not Attended
Mr. Akaninyene Obot	4	4	10 February, 9 April, 9 July, 7 October.	None
Mr. Adim Jibunoh	4	4	10 February, 9 April, 9 July, 7 October.	None
Mr. Peter Elumelu	4	4	10 February, 9 April, 9 July, 7 October.	None
Hajia Saratu Umar	4	4	10 February, 9 April, 9 July, 7 October.	None
Mr. Eric Akinduro	4	4	10 February, 9 April, 9 July, 7 October.	None
Mr. Gafar Erinfolami	4	4	10 February, 9 April, 9 July, 7 October.	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 the 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 / Audit

The Board, Management and staff of the Company take ownership and responsibility for protecting the Company against fraudulent transactions. However, the Internal Auditor is specifically entrusted with this responsibility. The Internal Auditor also takes responsibility for promoting compliance with statutory and regulatory requirements, as wells as with internal policies approved by the Board.

The primary functions of Internal Audit is to provide assurance to the Board and Management that the internal control process is in place and adequate. Internal Audit also reviews transactions entered into by the Company to ensure accuracy, completeness and compliance.

The Head of Internal Audit is fully empowered to do her job, she is independent of day-to-day operations and reports directly to the Chairman and administratively to the CEO.

5. Relationship with Shareholders

The Company maintains continuous communication with its shareholders all year round. This enables them to understand our business, financial condition, operating performance and trends. Apart from our Annual Report, financial statements, market updates, regulatory disclosures, 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. Reports on Complaints and Whistleblowing.

6. Investor Relations

The Company has an Investors Relations Unit within the Finance department which holds regular Investor conferences to brief all stakeholders on the performance of the Company. We also regularly brief the regulatory authorities and file regulatory returns and announcements which are accessible to investors and the general public via the stock market news.

7. Directors' Remuneration Policy

The remuneration policy of the Company as embedded in the Board Charter is structured to suit the environment in which the Company 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, half-yearly or annually.

Board Meetings
Non-Executive Directors earn N200,000 sitting allowance per meeting while the Chairman earns N300,000. Transport costs are reimbursed and hotel expenses are borne by the Company where applicable.

Committee Meetings
Non-Executive Directors earn N150,000 sitting allowance per meeting, while the Chairman earns N200,000. Transport costs are reimbursed and hotel expenses are borne by the Company where applicable.

Executive Directors

The Remuneration Policy for Executive Directors includes the following:

Fixed remuneration, taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent posts of equivalent status within the industry both within and outside Nigeria.

Variable annual remuneration linked to performance. The amount of this remuneration is subject to achieving specific, quantifiable and measurable KPIs set annually and appraised annually by the parent and Company Boards.

8. Summary Report of the Annual Corporate Governance Evaluation

The firm of Angela Aneke & Co. Limited performed the evaluation of the Board for the year ended December 31, 2020 in line with the requirements of the Financial Reporting Council ("FRC") Code of Corporate Governance (the "Code"), global best practice and the Company's corporate governance framework.

The statement by the external Consultant on the Board and Corporate Governance Evaluation are contained in pages 49 and 51 of the Annual Report and covers the summary of Board, Committees, individual Directors' and overall governance evaluation.

9. Human Resource Policies and Internal Management Structure

The Human Resource Policy provides for benefits available to eligible employees in the Company. The Company has put in place internal control systems to ensure that the company practices comply with regulations.

10. Gender Diversity on the Board and Employment

The Company maintains gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The ratio of women to men in the Company at Board level and in Staff employment is 10:8

11. Auditor

The firm of Deloitte & Touché has served for a period of one year as the independent Auditor. In accordance with section 401(2) of CAMA, Deloitte & Touché has indicated its willingness to continue after its first year as Independent Auditor of the Company. The Directors shall seek members authorisation at the Annual General Meeting to fix their remuneration.

Directors' Report

The Directors present their annual report on the affairs of Transcorp Hotels Plc ("the Company") together with the audited financial statements for the year ended 31 December 2020, to the members of the Company. This report discloses the state of affairs of the Company and the Group.

1. Principal Activities

The Group is principally engaged in hospitality activities; rendering of hotel services by providing luxury accommodation, exotic cuisine, fully equipped meeting rooms and leisure facilities to business travelers and tourists from all over the world.

2. Review of Financial Results and Activities

Full details of the financial position, results of operations and cash flows of the Group and Company are set out on pages 62 - 65 of these consolidated and separate financial statements. The summarised results are presented below.

	Group		Company	
	2020 ₦'000	2019 ₦'000	2020 ₦'000	2019 ₦'000
Revenue	10,152,244	20,404,533	9,647,364	19,499,897
Gross profit	6,662,770	15,328,323	6,371,464	14,718,279
(Loss)/profit before taxation	(8,940,287)	1,124,233	(8,743,483)	1,133,926
Taxation	2,664,769	(510,497)	2,612,024	(500,243)
(Loss)/profit for the year	(6,275,518)	613,736	(6,131,459)	633,683
Total comprehensive income for the year	(6,275,518)	613,736	(6,131,459)	633,683

3. Directors' Interests in Shares

The interests of each Director in the issued share capital of the Company as recorded in the register of Directors' shareholding as at 31 December 2020 were as follows:

Interests in shares

Directors	2020 Direct	2019 Direct	2020 Indirect	2019 Indirect
Mr. Emmanuel Nnorom*	-	-	1,000,000	1,000,000
Mrs. Dupe Olusola	310,574	-	-	-
Mrs. Owen Omogiafo**	350,000	350,000	8,563,968,322	-
Mrs. Helen Iwuchukwu	10,000	-	-	-
Mr. Valentine Ozigbo	1,000,000	1,000,000	-	6,345,100,000
Mr. Peter Elumelu	135,000	100,000	-	-
Mr. Alex Okoh	10,000	10,000	-	-
Mr. Alexander Adeyemi***	-	-	1,131,165,000	837,900,000
	1,815,574	**1,460,000**	**9,696,133,322**	**7,184,000,000**

*Held indirectly through Vine Foods Limited.
**Held indirectly through Transnational Corporation of Nigeria Plc.
***Held indirectly through the Ministry of Finance.

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

4. Directors' Interests in Contracts

None of the Directors notified the Company of any direct or indirect interest in contracts or proposed contracts with the Company during the year for the purpose of Section 303 of the Companies and Allied Matters Act, 2020.

5. Alternate Directorship

There is one alternate directorship, Mr. Muyiwa Oduniyi, who was appointed as an alternate Director to Mr. Alex Okoh.

6. Dividends

Due to the loss before tax of N8.9 billion (Company N8.7 billion) recorded in the year, and the need to continue to optimally restructure our capital, the Board of Directors did not recommend any payment of dividend for the year (2019: 7 kobo per share amounting to N532,028,273 on the outstanding ordinary shares of 7,600,403,900 shares of 50 kobo each).

7. Share Capital

The issued and fully paid shares of 50 kobo each of the Company as at 31 December 2020 were beneficially held as follows:

Issued	2020 N '000	2019 N '000	2020 Percentage of shares	2019 Percentage of shares
Transnational Corporation of Nigeria Plc	8,563,968	6,344,100	83.62%	83.47%
Ministry of Finance Incorporated	1,131,165	837,900	11.04%	11.02%
Other Shareholders	547,395	418,404	5.34%	5.51%
	10,242,528	**7,600,404**	**100**	**100**

There was a change in the issued share capital during the year under review as a result of the Right Issues. Therefore, the analysis of shareholders as at 31 December 2020 is shown below:

Share Range		No of Holders	Percentage (%)	Holdings	Percentage (%)
1 -	999	398	22.23	77,113	-
1,000 -	9,999	867	48.44	2,070,730	0.02
10,000 -	99,999	416	23.24	9,574,023	0.09
100,000 -	999,999	90	5.03	15,983,976	0.16
1,000,000 -	9,999,999	13	0.73	37,256,747	0.36
10,000,000 -	99,999,999	2	0.11	92,350,000	0.90
100,000,000 -	999,999,999	2	0.11	390,082,500	3.81
1,000,000,000 and above		2	0.11	9,695,133,322	94.66
		1,790	**100**	**10,242,528,411**	**100**

Share Capital History

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

Year	Authorised (N)		Issued & Fully Paid-up (N)		Consideration
	Increase	Cummulative	Increase	Cummulative	
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
17/12/2020	-	15,000,000,000	2,642,124,511	10,242,528,411	Right Issue

8. Substantial Interest in Shares

According to the register of members as at 31 December 2020, the following had more than 5% shareholding in the Company:

	Holdings	%
Transnational Corporation of Nigeria Plc	8,563,968,322	83.62 %
Ministry of Finance Incorporated	1,131,165,000	11.04 %

9. Property, Plant and Equipment

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

10. Employment and Employees

Equality of opportunity, diversity and inclusion are a part of Transcorp Hotels Plc's identity.

a) Employment of Physically Challenged Persons

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

b) Health, Safety and Environment

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

c) Employees Development, Training and Engagement

The Group places a high premium on the development of its manpower and consults with employees on matters affecting their wellbeing. In the year 2020, formal classroom, onsite and offsite trainings, as well as online training courses were deployed in training and re-training all staff at various levels. The Group's skill base has been extended by a range of training provided to the employees, whose opportunity for career development within the Group has been enhanced.

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

11. Donations

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

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

Donations	2020 N'000	2019 N'000
Classroom building project – Bright Future Community School - Abuja	-	4,867,710
Business Empowerment Program for Women (BEPW)	-	3,039,150
School bags and supplies to pupils of Bright Future School	-	850,000
Donation to the Good Samaritan Home for the Aged - Calabar	-	60,000
Back-to-School donation of Stationary Items to PCN Big Qua - Calabar	-	123,000
Daughters of Charity food supply	1,318,842	-
Donation of Trophies for PCN Primary School	107,500	-
	1,426,342	**8,939,860**

12. Securities Trading Policy

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

13. 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 Group's website.

14. Risk Management Policy and Practices

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

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

The risk management systems and practices at the Company are effective and efficient.

15. Fines and Penalties

During the year under the review, the Group paid a total fine of N214,200 for late payment of renewal fees for the FRC registration due to inaccessibility of the online payment platform of the FRC at the time that payment was due.

16. The Nature of Any Related Party Relationships and Transaction

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

Amount owed to related parties	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Transnational Corporation of Nigeria Plc	8,019,780	4,120,920	8,007,598	4,100,509
Transcorp Power Limited	6,588,790	2,138,707	6,588,688	2,138,809
	14,608,570	**6,259,627**	**14,596,286**	**6,239,318**

Amount owed from related parties	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Transcorp Hotels Calabar Limited	-	-	189,459	153,767
Transcorp OPL 281 Limited	90	2,003	-	-
	90	**2,003**	**189,459**	**153,767**

Terms and Conditions of Transactions with Related Parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

17. Events after the Reporting Date

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report which have not been adequately provided for and which could have a material effect on the financial position of the Company as at 31 December 2020.

18. Other Terms

The Company entered into a Technical and Management Services Agreement with Transnational Corporation of Nigeria Plc. As stipulated in the signed agreement, the Company incurs annual management fees of higher of N350 million or 5% of profit before tax.

19. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

20. Terms of Appointment of the Auditors

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

By Order of the Board

Mr. Chike Anikwe
FRC/2017/NBA/00000016059
Company Secretary
20th March 2021

Sustainability Report

Our Sustainability Statement

"Transcorp Hotels Plc's commitment to all stakeholders is to ensure that our products and services contribute to sustainable development and the creation of enduring wealth."

The Transcorp Hotels Plc's ("the Company") sustainability and achievements are intimately linked to the growth, development, and wealth of the communities in which we operate. We therefore ensure that all our business activities support and contribute to this growth and wealth. This forms the basis of the Company's approach to Sustainability.

The 2020 Sustainability Report reflects our journey over the last year which, in the midst of the ravaging COVID-19 pandemic affirms the Company's commitment to its sustainability goals focused on the **Environment, Social** (Corporate Social Responsibilities) and **Governance**.

GOVERNANCE

"We remain committed to a high standard of Corporate Governance."

Transcorp Hotels Plc, with the requisite oversight and leadership from its Board of Directors has continued to ensure that the governance principles of transparency, accountability and security are sustained across all its business activities.

We have continued to put in place policies and procedures that govern the relationship between the Board, Management and all its stakeholders to ensure transparency, fairness, accountability, financial sustainability and enhance shareholder value. Specifically, in 2020 alone, fourteen (14) policies were approved and institutionalised by the Board.

Below are some of the governance tools deployed by the Board to achieve its objectives:

- **Enterprise Risk Management:**
  Risk management is prioritised through a robust governance structure that establishes individual and collective accountability for risk management, risk oversight and risk assurance. A clearly documented Enterprise Risk Management (ERM) Framework is in place, dedicated to the identification, assessment, treatment and monitoring of risks across the Company.

  The Company's risk management framework is supported by a committee-based structure designed to confirm that the risk management system across the Company is in line with regulations and leading practices. The Board, through the Finance & Investment Committee, however, has ultimate responsibility for risk management and it is responsible for approving risk management policies and associated amendments.

- **Stakeholder Engagement**
  We recognise that positive outcomes cannot be achieved without adequate engagement of our diverse stakeholders. As such, we engage our stakeholders, as well as employees, in regular and timely manner through various media (surveys, forums/feedback sessions, retreats, newsletters, letters of commendation) to ensure stakeholder needs and concerns are received, understood and addressed. We also engage stakeholders through the following media:

S/N	Governance Tools
Shareholders and Investors	• Annual General Meeting • Annual Report • Website • NSE and SEC Websites • Complaints Management • Investor Relations Forums and Calls
Suppliers and Business Partners	• Meetings • Site Visits • Whistleblowing Reporting Mechanism
Employees	• Townhall Meetings • Newsletters • Team Bonding and Knowledge Sessions • Whistleblowing Reporting Mechanism
Community	• Corporate Social Responsibility Activities • Partnerships
Government and Regulatory Authorities	• Meetings and Courtesy Visits • Remittances • Letters and Formal Emails
Media	• One-on-One Meetings • Emails • Press Release • Conferences and Interviews • Social Media Articles

- **Policies and Procedures**
  Dedicated policy documents that institutionalise the Company's values, provides guidance on ethical issues, and fosters a culture of honesty and accountability have been put in place by the Board and are implemented by Management.

  A whistle blowing procedure; dedicated process for reporting suspected violations of the Company's policies or national laws and regulations are in place.

  Also, in place, are Data protection policies to safeguard and protect customers, employee and guest information.

- **Vendors and Suppliers**
  Our suppliers and vendors maintain high level of standards as our procurement policy is both efficient and effective. We ensure all conditions in the policy are met before contracting and dealings are made.

Vendors are encouraged to practice and improve sustainability as preference is giving to least damaging effects on our environmental and human health.

- **Employees**
  Our people remain at the centre of everything we do. The ability to deliver as a team through the embodiment of our culture of Excellence, Execution and Enterprise remains the driving force for our sustained growth.

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

  We operate a non-discriminatory policy across all our entities (Transcorp Hotels Calabar and Transcorp Hilton Abuja) in the consideration of applications for employment including those received from physically challenged persons. The Company's policy prohibits discrimination against such persons in the recruitment, training and career development of its employees.

- **Customers/Guests**
  Transcorp Hotels Plc understands that Guest loyalty is priceless and takes active steps to *"get it right the first time"*, focusing on the Kaizen principle of **continuous improvement** and institutionalizing the culture of zero tolerance for discrimination and poor service delivery.

  This year, the focus on guest safety remained foremost in our minds. CleanStay programmes (an initiative put in place to boost guest confidence in the safety protocols and precautions implemented by the hotel) were initiated, with all COVID-19 Protocols adhered to. Additionally, Safety and Health officers were deployed in strategic locations of the hotel to ensure all safety protocols were adhered to.

SOCIAL (CORPORATE SOCIAL RESPONSIBILITY)

"The world is filled with many brilliant ideas but what we need right now are people who act to implement the many big ideas that can aid development and prosperity"
- Tony Elumelu

Over the year, the Corporate Social Responsibility (CSR) activities across our hotels (Transcorp Hilton Abuja and Transcorp Hotels Calabar) focused on **Education, Empowerment & Entrepreneurship** and the **Environment**, in line with our social goals. Below are some of our activities within the year.

- **Transcorp Hotels Calabar:**
  The hotel donated trophies to support the annual inter-house sports of Presbyterian Primary School. Big Qua, Calabar.

The General Manager, Chuma Mgbojikwe and Director of Operations Mr Austine Okweche with pupils and teachers of the Presbyterian Primary School, Big Qua, Calabar.

- **Transcorp Hilton Abuja**
  We engaged in a number of CSR activities solely or in partnership with the local communities and/or NGOs. Some of which include:

  i. **Self-Starter Seminar** in partnership with ACE Charity - We provided the opportunity for 100 young people to learn directly from industry experts on how to start off on their career path;
  ii. In partnership with ACE Charity, we commenced the 6th batch of our **Business Empowerment Program for Women**. This ran for 2 months before the onset of the COVID-19 pandemic;
  iii. **World Cancer Day Walk** in partnership with Project PINK BLUE to create cancer awareness and provide free cancer screening;
  iv. **Monthly donation** of foodstuff and bed linens, duvet covers and pillow cases no longer in use to Daughters of Charity Hospital. This support was over 4 months in 2020;
  v. We organised a **blood drive** in support of National Blood Transfusion Services in celebration of the Hilton Effect Week; and
  vi. We **donated** beddings and other clothing items to the Pillar of Hope Trust Foundation and also to Ketti Community through Dele Oye & Associates.

The induction of members of the 6th batch of our Business Empowerment Program for Women

Transcorp Hotels Plc 2020 World Cancer Day Walk in partnership with the Project PINK BLUE Annual Walk Against Cancer.

A housekeeping staff at Transcorp Hilton Abuja disinfecting the hallway of the hotel using medical grade disinfecting materials

ENVIRONMENT

"We aim to reduce any negative effects on the environment from our business' processes/activities."

With the events of the year, the increasing need to promote a clean, safe and natural environment remains an integral part of our sustainability activities.

Transcorp Hotels Plc sustained its commitment to the protection of its environment, waste management, recycle activities as well as an increased focus on its CleanStay initiatives.

Our initiatives for Security, Health and Safety Protocols were paramount within the year. All COVID-19 Protocols were fully observed across all our hotels.

The Hotel sustained its "*Water: Save Every Drop*" initiative with continuous safety and health trainings across its entities.

Transcorp Hilton Abuja donating foodstuff, bed linens, duvet covers and pillow cases to Daughters of Charity Hospital.

Team members of Transcorp Hilton Abuja donating blood to the National Blood Transfusion Service.

Awards and Recognition

Transcorp Hotels Plc has continued to distinguish itself through the delivery of exceptional quality and the embodiment of its core values; Excellence, Execution and Enterprise in all we do. As a testament to our 2020 performance, Transcorp Hotels Plc received a number of awards.

Transcorp Hilton Abuja
Within the year, the Transcorp Hilton Abuja was honoured with:

i. Four (4) prestigious awards at the World Travel Award:
   - Nigeria's Leading Hotel Suite;
   - Nigeria's Leading Hotel;
   - Nigeria's Leading Business Hotel; and
   - Africa's Leading Business Hotel.

ii. The TripAdvisor Certificate of Excellence for our Bukka Restaurant.

iii. The TripAdvisor Traveller's Choice Award.

Transcorp Hotels Calabar
Within the 2020 Financial Year, Transcorp Hotels Calabar was recognised:

i. At the 2nd Edition of the Spirit of Enterprise Awards for its remarkable impact and contribution towards promoting the spirit of enterprise in Cross River State. The award was received by The Director of Operations, Mr Austine Okweche.

ii. The MD was recognised as one of the top 100 Tourism Personalities in Nigeria by African Travel Quarterly (ATQnews), a list of the biggest and best tourism practitioners in the country.

The Director of Operations, Transcorp Hotel Calabar, Mr Austine Okweche receiving the Spirit of Enterprise Award on behalf of the Hotel.

Chuma Mgbojikwe, General Manager, Transcorp Hotel Calabar was recognized as one of the top 100 Tourism Personalities in Nigeria by African Travel Quarterly (ATQnews), a list of the biggest and best tourism practitioners in the country.

Statement on the Company's Environmental, Social and Governance Activities

The Board of Directors of Transcorp Hotels Plc ("Transcorp" or "the Board") acknowledges the importance of sustainability as a driver of long-term value creation for its stakeholders.

The Board also considers Environmental, Social and Governance ("ESG") issues as a business imperative and have provided the required oversight on the Company's activities.

In accordance with the provisions of Section 28.8 of the Nigerian Code of Corporate Governance 2018 ("the Code"), we, the Board, hereby report on the ESG activities of the Company for the year ended 31 December 2020.

- Promoting a clean and safe environment is a vital part of our activities. Amidst this pandemic, focus on guest safety was foremost in our minds. CleanStay programmes were initiated across all our properties, with all COVID-19 Protocols adhered to. We embarked on sustainability activities committed to the creation and sustenance of enduring wealth for all stakeholders while leveraging on our ESG activities. Details of these activities can be found in the Sustainability report.

- An integral part of our strategy is hinged on the Company's increasing awareness of the need for Corporate Social Responsibility ("CSR"), promoting a clean natural environment and good corporate governance. In 2020, we embarked on CSR activities focused on entrepreneurship empowerment, education, and healthcare.

- The governance, internal audit, compliance, and risk management programs are extensive and provide a satisfactory evaluation of the efficiency of the Company's governance and Internal control systems. We remain unwavering in our commitment to a system of checks and balances at all levels which has ensured consistency in the creation of an efficiently functioning organisation geared towards delivering long-term value.

Stakeholder engagement was sustained in the year through, investor relation calls, regulatory remittances and unrestricted access to the Company's website, emails and office premises.

Thank you.

Emmanuel N. Nnorom
Chairman, Board of Directors

One year in pictures - the new normal

L to R: Dupe Olusola, MD/CEO Transcorp Hotels Plc; Emmanuel Nnorom, Chairman Transcorp Hotels Plc; Chike Anikwe, Company Secretary, Transcorp and Owen Omogiafo, President/CEO, Transcorp at the Extraordinary General Meeting of Transcorp Hotels Plc.

MD/CEO at the Virtual Presidential Policy Dialogue organised by LCCI.

Cross-section of shareholders at the Extraordinary General Meeting of Transcorp Hotels Plc.

Staff carrying out regular deep cleaning.

Beautifully lit Christmas Decorations at Transcorp Hilton Abuja during the Christmas Season.

February 10th, 2021

Statement by the External Consultants on the Board Evaluation of Transcorp Hotels Plc for the year ended December 31, 2020

The Board of Directors of Transcorp Hotels Plc ("Transcorp Hotels Plc" or "the Company"), engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2020 in line with the requirements of Principle 14 of the Financial Reporting Council, Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are gleaned from the principles in the FRC Code, the Company's corporate governance framework, as well as global best practice.

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

The Chairman of the Board leads the operations of the Board effectively to ensure the company's strategic objectives are met and acts as the main link between the Board and the CEO as well as advising the CEO in the effective discharge of her duties.

The Board of Transcorp Hotels Plc has an established Board Governance & Board Committee Governance Charter. The mandates and terms of reference of the Board committees are clearly defined in the Board Governance & Board Committee Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance and information technology governance.

Furthermore, Directors largely achieved 100% attendance at all the Board and Board Committee meetings held in 2020.

The Board and its Committees have an appropriate balance of skills and diversity including experience and gender. The Board is composed of seasoned professionals with a wealth of experience committed to the long-term success of the company. The appointment of female directors in key roles as MD/CEO and additional Non-Executive Directors, has further improved the balance and diversity of the Board. The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively.

On the basis of our work, we conclude that the Board of Transcorp Hotels Plc is effective and demonstrates a commitment to maintaining strong corporate governance in line with global best practice, it has a formalised and established corporate governance framework in place and the Company has substantially applied the 28 principles of FRC Code which took effect in 2020.

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

Angela Aneke
Managing Director

February 10th, 2021

Statement by the External Consultants on the Corporate Governance Evaluation of Transcorp Hotels Plc for the year ended December 31, 2020

The Board of Directors of Transcorp Hotels Plc ("Transcorp Hotels Plc" or "the Company"), engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2020 in line with the requirements of Principle 15 of the Financial Reporting Council, Nigerian Code of Corporate Governance (FRC Code). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are gleaned from each of the 28 principles of the FRC Code of Corporate Governance, the Company's corporate governance policies and charters, as well as global best practice.

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

Transcorp Hotels Plc has formal policies and charters that guide the governance culture of the Company. The Board of Transcorp Hotels Plc has an established system of corporate governance underpinned by a Board Governance & Board Committee Governance Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance & Board Committee Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance and information technology. Policies that address risk management, internal control, code of conduct, business ethics, shareholder engagement and disclosures are formalized at Transcorp Hotels Plc.

A framework for managing risk and internal control is in place at Transcorp Hotels Plc. The risks the company faces and risk mitigating strategies are effectively monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its Committees on its effectiveness at its quarterly meetings. An effective whistle blowing framework for reporting illegal and unethical behaviour is also in place. The Company also acted as a responsible citizen by embarking on several corporate social responsibility activities in 2020.

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

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

Angela Aneke
Managing Director

Statement of Directors' Responsibilities

The Directors are required by the Companies and Allied Matters Act 2020 to maintain adequate accounting records and are responsible for the content and integrity of the Consolidated and Separate Financial Statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the Group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external Auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

- The Directors are to ensure that the Group prepares the consolidated and separate financial statements in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

- The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the Directors meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach.

- The Directors are responsible for providing additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and financial performance; and

- The Directors are responsible for making an assessment of the Group's and Company's ability to continue as a going concern.

The Directors are of the opinion, based on the information and explanation given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. The Directors are responsible for:

- Designing, implementing and maintaining an effective system of internal controls throughout the Group and Company;
- Maintaining adequate accounting records that are sufficient to show the Group's transactions and disclose with reasonable accuracy at any time and which enable them to ensure that the Consolidated and Separate financial statements of the company comply with IFRS;
- Maintaining statutory accounting records in compliance with the legislation of Nigeria and IFRS;
- Taking such steps as are reasonably available to them to safeguard the assets of the Group and Company; and
- Preventing and detecting fraud and other irregularities.

Going Concern

The Directors have reviewed the Group's cash flow forecast for the year to December 31, 2021 and, in light of this review and the current financial position, are satisfied that the Group has or had access to adequate resources to continue in operational existence for the foreseeable future.

Signed on behalf of the Board of Directors By:

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

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

Report of the Statutory Audit Committee

In accordance with the provisions of the Companies and Allied Matters Act, 2020, we, the members of the Audit Committee of Transcorp Hotels Plc ("the Company"), having performed our statutory obligations under the Act, hereby report that:

a) The accounting and reporting policies of the Company for the year ended 31 December 2020 are consistent with legal requirements and ethical practices;
b) The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems;
c) The scope and planning of the statutory independent audit for the year ended 31 December 2020 are satisfactory; and
d) We have considered the independent auditors ' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at Transcorp Hotels Plc.

Members of the Audit Committee

The members of the Statutory Audit Committee include:

1.	Mr. Akaninyene Obot	–	Chairman (Shareholders' Representative)
2.	Mr. Eric Akinduro	–	Member (Shareholders' Representative)
3.	Mr. Gafar Erinfolami	–	Member (Shareholders' Representative)
4.	Mr Adim Jibunoh*	–	Member (Board Representative)
5.	Mr. Peter Elumelu	–	Member (Board Representative)
6.	Hajia Saratu Umar	–	Member (Board Representative)

Signed on behalf of the Audit Committee

Akaninyene Obot
Chairman Audit Committee
FRC No. FRC/2013/ICAN/00000004721

Dated this 25th day of January 2021

*Mr. Adim Jibunoh resigned from the Board on October 14, 2020


Everywhere is **Home**
with Aura

Financial Statements

Deloitte.

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Independent Auditor's Report

To the Shareholders of Transcorp Hotel Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Transcorp Hotel Plc** and its subsidiaries (the Group and Company) set out on pages 14 to 85, which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Transcorp Hotel Plc** as at 31 December 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act (CAMA) 2020 and Financial Reporting Council Act.

Basis for Opinion

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

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated and separate financial statements of the current year. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. The key audit matter below relates to the audit of the consolidated financial statements.

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Key Audit Matter	How the matter was addressed in the audit
Assessment of Goodwill impairment - Consolidated	
The Group has a material goodwill balance of N1.975billion, which principally relates to the 100% acquisition of Transcorp Hotels Calabar Limited on 30 September 2012. Goodwill was calculated as the difference between the purchase consideration for the 100% interest in Transcorp Hotels Calabar and the Company's share of net assets acquired. Goodwill is allocated to the Cash Generating Unit (CGU), which is Transcorp Hotels Calabar Limited. In line with the provisions of IAS 36 - Impairment of assets, the Company tested goodwill for impairment and no impairment charge has been recorded against Goodwill balance in the current year. The recoverable amount has been determined using the Fair Value Less Costs to Dispose approach. In determining the fair value of the property, plant and equipment, the client engaged an external valuer who determined the fair value based on several valuation assumptions. The annual impairment test is significant to our audit because the related balance is significant to the Group and the testing process is complex and requires significant judgements made by the Directors concerning the estimated value . Accordingly, the impairment test of goodwill is considered a key audit matter due to the impact of the above assumptions. The disclosure of goodwill is set up in Note 23 of the consolidated and separate financial statements.	To determine the appropriateness of the management assumptions and conclusions on the impairment assessment of the goodwill balance, in line with the provisions of IAS 36, we performed the following procedures: • We considered the determination of Transcorp Hotels Calabar as an identifiable cash-generating unit. • Evaluated the appropriateness of the fair value approach used by management in determining the recoverable amount of the cash-generating unit. • Evaluated the reasonableness of the methods and assumptions the management's expert used to estimate the fair value of the Assets of Transcorp Hotels Calabar. • Independently engaged a valuation expert who carried out a valuation of the assets of Transcorp Hotels Calabar to challenge management valuation used in determining the recoverable amount. • Agreed the balances for other operating assets and liabilities used in the fair value assessment to the audited financial statements of Transcorp Hotels Calabar. • Reviewed management assumptions used to determine the estimated cost to dispose. • Ensured appropriate disclosures in the financial statements. Based on the procedures performed above, we believe the goodwill impairment assessment by the entity is appropriate and the balance is not impaired.

The Key Audit Matter applies to the consolidated financial statements and that there is no Key Audit Matter for the separate financial statements.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 20 January 2020.

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Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Corporate Governance Report, Chairman's Statement, CEO's Reports, Sustainability Report, Statement of Directors Responsibility, Report of the Statutory Audit Committee and the Company Secretary's Report, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act (CAMA) 2020, the Financial Reporting Council of Nigeria Act and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Fifth schedule of Companies and Allied Matters Act (CAMA) 2020 we expressly state that:

i) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose of our audit.

ii) The Group has kept proper books of account, so far as appears from our examination of those books.

iii) The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

Stella Mba, FCA - FRC/2013/ICAN/00000001348
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
22 **March, 2021**

Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December 2020

		Group		Company	
	Note	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Revenue	9	10,152,244	20,404,533	9,647,364	19,499,897
Cost of sales	10	(3,489,474)	(5,076,210)	(3,275,900)	(4,781,618)
Gross Profit		**6,662,770**	**15,328,323**	**6,371,464**	**14,718,279**
Other operating income	11	170,971	460,478	160,534	497,433
Movement in credit loss allowances	14	53,199	(55,191)	55,732	(52,640)
Termination/Retirement benefit	16.1	(2,238,174)	-	(2,238,174)	-
Administrative expenses	15	(8,288,927)	(10,411,128)	(7,792,649)	(9,830,565)
Operating (Loss)/Profit		**(3,640,161)**	**5,322,482**	**(3,443,093)**	**5,332,507**
Finance income	12	6,213	104,699	5,949	104,367
Finance costs	13	(5,306,339)	(4,302,948)	(5,306,339)	(4,302,948)
(Loss)/Profit Before Taxation		**(8,940,287)**	**1,124,233**	**(8,743,483)**	**1,133,926**
Taxation	17	2,664,769	(510,497)	2,612,024	(500,243)
Total Comprehensive (Loss)/Profit for the Year		**(6,275,518)**	**613,736**	**(6,131,459)**	**633,683**
(Loss) Profit Attributable to:					
Owners of the parent		(6,276,573)	615,568	(6,131,459)	633,683
Non-controlling interest		1,055	(1,832)		
		(6,275,518)	**613,736**	**(6,131,459)**	**633,683**
Total Comprehensive (Loss)/Profit Attributable to:					
Owners of the parent		(6,276,573)	615,568	(6,131,459)	633,683
Non-controlling interest		1,055	(1,832)		
		(6,275,518)	**613,736**	**(6,131,459)**	**633,683**
Earnings Per Share					
Per Share Information					
Basic (loss)/profit per share (kobo)	19	(77)	8	(75)	8

The accounting policies on pages 66 to 87 and the notes on pages 88 to 121 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Financial Position as at 31 December 2020

		Group		Company	
		2020	2019	2020	2019
Assets	Note	N '000	N '000	N '000	N '000
Non-Current Assets					
Property, plant and equipment	20	105,707,093	106,596,116	92,932,840	93,731,688
Investment property	21	-	-	2,312,000	2,309,000
Goodwill	23	1,974,756	1,974,756	-	-
Intangible assets	22	114,828	126,978	114,553	126,291
Investments in subsidiaries	8	-	-	3,529,781	3,529,781
Deferred tax asset	18	132,719	78,711	-	-
Long term receivables	24	-	-	6,671,327	6,664,613
		107,929,396	**108,776,561**	**105,560,501**	**106,361,373**
Current Assets					
Inventories	25	584,541	528,775	544,817	479,289
Trade and other receivables	26	1,591,028	2,256,504	1,690,333	2,297,589
Prepayments	27	1,000,110	745,086	984,260	732,845
Cash and cash equivalents	28	1,818,257	2,439,341	1,776,138	2,374,956
		4,993,936	**5,969,706**	**4,995,548**	**5,884,679**
Total Assets		**112,923,332**	**114,746,267**	**110,556,049**	**112,246,052**
Equity and Liabilities					
Equity					
Share capital	29	5,121,264	3,800,202	5,121,264	3,800,202
Share premium	29	12,548,859	4,034,411	12,548,859	4,034,411
Retained earnings		43,433,861	49,710,434	43,773,111	49,904,570
Equity Attributable to Owners of the Company		61,103,984	57,545,047	61,443,234	57,739,183
Non-controlling interest		(1,075)	(2,130)	-	-
Total equity		**61,102,909**	**57,542,917**	**61,443,234**	**57,739,183**
Liabilities					
Non-Current Liabilities					
Borrowings	30	13,152,338	21,459,536	13,152,338	21,459,536
Contract Liabilities	33	2,445,163	2,603,170	2,445,163	2,603,170
Deferred income	32	1,052,739	1,073,534	1,052,739	1,073,534
Deferred tax liability	18	4,466,066	7,103,233	4,466,066	7,103,233
Deposit for shares	31	2,410,000	2,410,000	-	-
		23,526,306	**34,649,473**	**21,116,306**	**32,239,473**
Current Liabilities					
Trade and other payables	34	19,743,723	10,473,586	19,450,017	10,209,030
Borrowings	30	7,820,496	10,870,296	7,820,496	10,870,296
Contract Liabilities	33	170,990	185,152	170,990	185,152
Deferred income	32	252,796	208,442	252,796	208,442
Current tax payable	17	306,112	728,457	302,210	706,532
Dividend payable	35	-	87,944	-	87,944
		28,294,117	**22,553,877**	**27,996,509**	**22,267,396**
Total Liabilities		**51,820,423**	**57,203,350**	**49,112,815**	**54,506,869**
Total Equity and Liabilities		**112,923,332**	**114,746,267**	**110,556,049**	**112,246,052**

The consolidated and separate financial statements were approved by the Board of Directors on 20th March 2021 and were signed on its behalf by:

Mr. Emmanuel Nnorom	**Oluwatobiloba Ojediran**	**Mrs. Dupe Olusola**
Chairman	*Chief Finance Officer*	*Managing Director/CEO*
FRC/2014/ICAN/00000007402	FRC/2020/001/00000020314	FRC/2020/003/00000021104

The accounting policies on pages 66 to 87 and the notes on pages 88 to 121 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2020

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total attributed to equity holders of the group ₦'000	Non-controlling interests ₦'000	Total equity ₦'000
Group						
Balance at 1 January 2019	**3,800,202**	**4,034,411**	**49,626,894**	**57,461,507**	**(298)**	**57,461,209**
Profit for the year	-	-	615,568	615,568	(1,832)	613,736
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**615,568**	**615,568**	**(1,832)**	**613,736**
Dividends	-	-	(532,028)	(532,028)	-	(532,028)
Total contributions by and distributions to Owners of the Company	**-**	**-**	**(532,028)**	**(532,028)**	**-**	**(532,028)**
Balance at 31 December 2019	**3,800,202**	**4,034,411**	**49,710,434**	**57,545,047**	**(2,130)**	**57,542,917**
Balance at 1 January 2020	**3,800,202**	**4,034,411**	**49,710,434**	**57,545,047**	**(2,130)**	**57,542,917**
Loss for the year	-	-	(6,276,573)	(6,276,573)	1,055	(6,275,518)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(6,276,573)**	**(6,276,573)**	**1,055**	**(6,275,518)**
Issue of shares	1,321,062	8,514,448	-	9,835,510	-	9,835,510
Total contributions by and distributions to Owners of the Company	**1,321,062**	**8,514,448**	**-**	**9,835,510**	**-**	**9,835,510**
Balance at 31 December 2020	**5,121,264**	**12,548,859**	**43,433,861**	**61,103,984**	**(1,075)**	**61,102,909**
Company						
Balance at 1 January 2019	**3,800,202**	**4,034,411**	**49,802,915**	**57,637,528**	**-**	**57,637,528**
Profit for the year	-	-	633,683	633,683	-	633,683
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**633,683**	**633,683**	**-**	**633,683**
Dividends	-	-	(532,028)	(532,028)	-	(532,028)
Total contributions by and distributions to Owners of the Company	**-**	**-**	**(532,028)**	**(532,028)**	**-**	**(532,028)**
Balance at December 31, 2019	**3,800,202**	**4,034,411**	**49,904,570**	**57,739,183**	**-**	**57,739,183**
Balance at 1 January 2020	**3,800,202**	**4,034,411**	**49,904,570**	**57,739,183**	**-**	**57,739,183**
Loss for the year	-	-	(6,131,459)	(6,131,459)	-	(6,131,459)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(6,131,459)**	**(6,131,459)**	**-**	**(6,131,459)**
Issue of shares	1,321,062	8,514,448	-	9,835,510	-	9,835,510
Total contributions by and distributions to Owners of the Company	**1,321,062**	**8,514,448**	**-**	**9,835,510**	**-**	**9,835,510**
Balance at 31 December 2020	**5,121,264**	**12,548,859**	**43,773,111**	**61,443,234**	**-**	**61,443,234**

The accounting policies on pages 66 to 87 and the notes on pages 88 to 121 form an integral part of the consolidated and separate financial statements.

Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2020

		Group		Company	
	Note	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Cash flows from operating activities					
(Loss)/profit before taxation		(8,940,287)	1,124,233	(8,743,483)	1,133,926
Adjustments for:					
Depreciation of property, plant and equipment	20	2,575,422	1,864,568	2,461,768	1,750,769
Amortisation of intangible assets	22	24,593	24,008	24,181	23,076
Gains on disposals of property, plant and equipment	11	(2,815)	(951)	(2,815)	(20)
Losses on foreign exchange	11	390,145	3,922	391,582	5,036
Interest income	12	(6,213)	(104,699)	(5,949)	(104,367)
Finance costs	13	5,306,339	4,302,948	5,306,339	4,302,948
Fair value gains	11	-	-	(3,000)	(39,000)
Impairment losses and reversals	14	(53,199)	55,191	(55,732)	52,640
Changes in working capital:					
Inventories		(55,766)	44,757	(65,528)	47,562
Trade and other receivables		718,675	(614,996)	662,988	(298,346)
Prepayments		(255,024)	42,375	(251,415)	(325,401)
Long term receivables		-	-	(6,714)	(80,658)
Trade and other payables		9,270,136	2,230,072	9,240,986	2,176,820
Contract Liabilities		(172,169)	(149,997)	(172,169)	(149,997)
Deferred income		23,559	1,281,976	23,559	1,281,976
Cash Generated from Operations		**8,823,396**	**10,103,407**	**8,804,598**	**9,776,964**
Tax paid	17	(448,750)	(1,440,999)	(429,464)	(1,416,735)
Net Cash from Operating Activities		**8,374,646**	**8,662,408**	**8,375,134**	**8,360,229**
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	20	(1,686,773)	(3,755,614)	(1,663,294)	(3,496,583)
Proceed from sale of property, plant and equipment	20	3,189	6,351	3,189	4,832
Purchase of intangible assets	22	(12,443)	(56,811)	(12,443)	(55,987)
Interest Income		6,213	104,699	5,949	104,367
Net Cash from Investing Activities		**(1,689,814)**	**(3,701,375)**	**(1,666,599)**	**(3,443,371)**
Cash Flows from Financing Activities					
Proceeds on share issue	29	9,835,510	-	9,835,510	-
Proceeds from borrowings	30	3,298,074	15,157,170	3,298,074	15,157,170
Repayment of borrowings and overdraft		(15,581,850)	(14,076,958)	(15,581,850)	(14,076,958)
Dividends paid		(87,944)	(631,487)	(87,944)	(631,487)
Finance costs		(4,789,208)	(5,707,307)	(4,789,208)	(5,707,307)
Net Cash from Financing Activities		**(7,325,418)**	**(5,258,582)**	**(7,325,418)**	**(5,258,582)**
Total Cash Movement for the Year		**(640,586)**	**(297,549)**	**(616,883)**	**(341,724)**
Cash at the beginning of the year		2,439,341	2,755,165	2,374,956	2,736,069
Effect of exchange rate movement on cash balances		19,502	(18,275)	18,065	(19,389)
Total Cash at End of the Year	28	**1,818,257**	**2,439,341**	**1,776,138**	**2,374,956**

The accounting policies on pages 66 to 87 and the notes on pages 88 to 121 form an integral part of the consolidated and separate financial statements.

Accounting Policies

1 Corporate information

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

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

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

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

The consolidated and separate financial statements for the year ended December 31, 2020 were authorised for issue in accordance with a resolution of the Directors on 20th March 2021.

2. Significant accounting policies

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

2.1 Basis of Preparation

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

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

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

These accounting policies are consistent with the previous year.

2.2 Segmental Reporting

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

The basis of segmental reporting has been set out in Note 5

2.3 Consolidation

Basis of Consolidation

The consolidated and separate financial statements incorporate the consolidated and separate financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the Group.

The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through the use of its power over the entity.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

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

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

The results of subsidiaries are included in the consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. 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.

Investments in subsidiaries in the separate financial statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business Combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS standards. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.4 Current Versus Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Fair value measurement

The Group measures non-financial assets such as investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value are measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. We carry out periodic assessment on the need to change our external valuers.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.6 Revenue from contracts with customers

The Group is in the hospitality industry and largely offers lodging, meals and other guest services to customers.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The Group has applied IFRS 15 practical expedient to contracts (or performance obligations) with similar characteristics since the Group reasonably expects that the accounting result will not be materially different from the result of applying the standard to the individual contracts.

At contract inception, the Group assesses the goods or services promised to a customer and identifies as a performance obligation each promise to transfer to the customer either:

- a good or service (or a bundle of goods or services) that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

In arriving at the performance obligations, the Group assesses the goods and services as capable of being distinct and as distinct within the context of the contract after considering the following:

- If the customer can benefit from the individual good or service on its own;
- If the customer can use the good or service with other readily available resources;
- If multiple promised goods or services work together to deliver a combined output(s); and
- whether the good or service is integrated with, highly interdependent on, highly interrelated with, or significantly modifying or customising, other promised goods or services in the contract.

The Group recognises revenue from the following major sources:

- Rooms
- Food and beverages
- Other services.

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

Rooms

A contract for the rendering of service by providing a room for an agreed period begins on performance which is when a customer checks in.

The Group recognises revenue from the provision of room over time because the customer simultaneously receives and consumes the benefits provided to them. The Group uses an output method in measuring progress for the provision of room because time elapsed faithfully depicts the entity's performance towards complete satisfaction of the performance obligation. The normal credit term is 30 to 90 days upon check-in.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Significant Financing Component

Using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component since the Group expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Customer options that provide a material right

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

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

The Group will recognize the revenue allocated to the material right when (or as) the option is exercised (and the underlying future goods or services are transferred) or when the option expires. This would be when the contract is either renewed or the renewal option expires.

Allocating discounts

The Group allocates a variable amount (and subsequent changes to that amount) entirely to a performance obligation or to a distinct good or service that forms part of a single performance obligation if both of the following criteria are met:

- the terms of a variable payment relate specifically to the Group's efforts to satisfy the performance obligation or transfer the distinct good or service (or to a specific outcome from satisfying the performance obligation or transferring the distinct good or service); and
- allocating the variable amount of consideration entirely to the performance obligation or the distinct good or service is consistent with the allocation objective in IFRS 15:73 when considering all the performance obligations and payment terms in the contract.

Food and beverages

The Group sells food and beverages to hotel guests and visitors. A flat rate service charge is included in the consideration expected from the customer. The Group recognises revenue from the sale of food and beverages at a point in time when control of the food and beverage is transferred to the customer.

Revenue is recognised at a point in time for sales of goods.

Other services

The Group generates revenue from other streams such as laundry services, business centre, gym, space rental and paid parking services. Revenue from rendering these services are recognised over time. Using an output method in measuring progress for the provision of the amenities because time elapsed faithfully depict the entity's performance towards complete satisfaction of the performance obligation.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Security deposit

The Group receives a refundable deposit from customers. The refundable deposit is called a security deposit and it is used to recoup unpaid balances owed by the customer. However, if the customer does not have unpaid balances, it is refunded to the customer.

2.7 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

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

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax liability is not recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused deferred tax credits can be utilised.

Deferred tax asset is not recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Value added tax (VAT)

Expenses and assets are recognised net of the amount of Value added tax (VAT), except:

- When the Value added tax (VAT) incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the Value added tax (VAT) is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of Value added tax (VAT) included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.8 Translation of Foreign Currencies

Functional and Presentation Currency

Items included in the consolidated and separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate financial statements are presented in Naira which is the Group functional and presentation currency.

Foreign Currency Transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.9 Dividend

The Group recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws of Nigeria, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.10 Property, Plant and Equipment

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

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

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

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

Major inspection costs which are a condition of continued use of an item of property, plant and equipment and which meet the recognition criteria are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

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

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

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	5 - 50 years
Plant and machinery	Straight line	3 - 25 years
Furniture and fixtures	Straight line	2 - 15 years
Motor vehicles	Straight line	2 - 5 years
IT equipment	Straight line	2 - 10 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

2.11 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Group under residual value guarantees;
- the exercise price of purchase options, if the Group is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (Note 13).

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the Group applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Operating Leases

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Rental lease income is included in other operating income.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income. Contingent rents are recognised as revenue in the period in which they are earned.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

2.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.13 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed every year-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	3 - 8 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

2.14 Investment Property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

If an entity owns property that is leased to, and occupied by another entity in the same group, the property does not qualify as investment property in the consolidated financial statements that include both entities. This is because the property is owner-occupied from the perspective of the Group as a whole. However, from the perspective of the individual entity that owns it, the property is investment property.

Fair value

Subsequent to initial measurement, investment property is measured at fair value.

Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

2.15 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the Group as applicable, are as follows:

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:

- Amortised cost: this category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows; or
- Fair value through other comprehensive income: this category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments; or
- Mandatorily at fair value through profit or loss: this classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive

income; or
- Designated at fair value through profit or loss: this classification option can only be applied when it eliminates or significantly reduces an accounting mismatch.

Financial liabilities:

- Amortised cost
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

Note 6 Financial instruments and risk management presents the financial instruments held by the Group based on their specific classifications.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets. Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at Fair Value through Profit or Loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected assets are reclassified on the first day of the first reporting period following the change in business model.

Assessment of whether Contractual Cash Flows are Solely Payments of Principal and Interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

2.15.1 Trade and Other Receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 25).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Trade and Other receivables amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Trade receivables are reviewed at every reporting period for impairment.

Recognition and Measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus, if any in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition.

Trade and other receivables are carried at amortised cost using the effective interest method..

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the Effective Interest Method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (Note 12).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12 month expected credit losses (12 month ECL).

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a loan. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a loan that are possible within 12 months after the reporting date.

In order to assess whether to apply lifetime ECL or 12 month ECL to trade and other receivables which do have a significant financing component, the Group considers whether there has been a significant increase in the risk of a default occurring since initial recognition rather than at evidence of a receivable being credit impaired at the reporting date or of an actual default occurring.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of Default

For purposes of internal credit risk management purposes, the Group considers that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2.15.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value and are stated at carrying amount which is deemed to be fair value.

2.15.3 Borrowings and Loans from Related Parties

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 13).

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to Note 6 for details of risk exposure and management thereof.

2.15.4 Trade and Other Payables

Trade and other payables (Note 33), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 13).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 6 for details of risk exposure and management thereof.

2.15.5 Bank Overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2.15.6 Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.15.7 Offsetting of Financial Instruments

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

2.16 Inventories

Inventories are measured at the lower of cost and net realisable value.

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.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.17 Impairment of Assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually or when circumstances indicate that the carrying value may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit; and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.18 Provisions and Contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least: -
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 38.

2.19 Employee benefits

Short-Term Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and obligation can be estimated reliably.

Defined Contribution Plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

Each employee contributes 8% of annual earnings (basic pay, transport and housing), while the employer contributes 10% of employees' annual earnings to the scheme. Staff contributions to the plan are funded through payroll deductions while the Group's contribution is recorded as employee benefit expense in profit or loss.

Terminal Benefits/Severance Pay

This is determined on need – basis. The Company enters into Collective Bargaining Agreement with Staff Union (staff representatives) anytime there is a business imperative to optimize. Management endorses Collective Bargaining Agreement in this instance as the request comes up.

2.20 Deferred Income

Deferred income is recognised where there is reasonable assurance that a grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, is expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and a grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

2.21 Share Capital and Equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the group in which they are declared.

3 Significant Judgements and Sources of Estimation Uncertainty

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

Critical Judgements in Applying Accounting Policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Lease Classification

The Group is party to leasing arrangements, both as a lessee and as a lessor. The treatment of leasing transactions in the consolidated and separate financial statements is mainly determined by whether the lease is considered to be an operating lease or a finance lease. In making this assessment, management considers the substance of the lease, as well as the legal form, and makes a judgement about whether substantially all of the risks and rewards of ownership are transferred.

The Group has also determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the land property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the land property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Revenue Recognition

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

The Group concluded that revenue from rooms and other services will be recognised overtime because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the

Hotel's performance.

The Group has determined that the output method is the best method in measuring progress rendering the services to the customer. The Output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract.

The Group has assessed that there is a direct relationship between the Group's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

The Group concluded that revenue from selling food and beverages is to be recognised at a point in time because sales of food and beverage do not meet the requirements of being satisfied overtime. The Group has assessed that a customer obtains control of the food and beverage when:

- The Group has a present right to payment for the food and beverage;
- The Group has transferred physical possession of the food and beverage to the customer;
- The customer has the significant risks and rewards of the food and beverage; and
- The customer has accepted the asset.

The Group has assessed that revenue earned from service charge will be satisfied as the Host good or service is being satisfied.

For rooms and other services: revenue earned from service charge levied on rooms and other services will be recognised over time, in line with how revenue from rooms and other services is being recognised.

For food and beverage: revenue earned from service charge levied on food and beverage will be recognised at a point in time, in line with the how revenue from food and beverage is being recognised.

Principal versus Agent Considerations: Hilton Honors- Customer Loyalty Program

The Company participates in the Hilton Honors customer loyalty program. The loyalty program allows a customer to earn points for nights spent in the hotel. On accumulating sufficient points, the customer earns a discount that can be used at any Hilton Hotel worldwide. The Group determined that it acts as an agent in the transaction through assessing the following:

- The Group is not primarily responsible for fulfilling the promise to provide the specified benefit arising from earning loyalty points.
- The Group has no control of loyalty program
- The Group does not determine the cash value of the points earned by customers

Expected Manner of Realisation for Deferred Tax

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

Key Sources of Estimation Uncertainty

Impairment Testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The fair value of the assets of is 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. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Useful lives of Property, Plant and Equipment

Property, Plant and equipment represent one of the most significant proportion of the asset base of the Group, accounting for about 94% of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provision for Expected Credit Losses of Trade Receivables and Contract Assets

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next period which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

4. New Standards and Interpretations

4.1 Standards and Interpretations Effective and Adopted in the Current Year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7

Temporary exceptions have been created by the IASB concerning the application of specific hedge accounting requirements as a result of the interest rate benchmark reform. These exceptions apply only to those hedging relationships which are directly affected by the reform, being those where the reform gives rise to uncertainties about:

(a) the interest rate benchmark (contractually or non-contractually specified) designated as a hedged risk; and/or

(b) the timing or the amount of interest rate benchmark -based cash flows of the hedged item or of the hedging instrument.

The exceptions are as follows:

(a) When determining whether a forecast transaction is highly probable, it shall be assumed that the interest rate benchmark on which the hedged cash flows are based is not altered as a result of the reform.

(b) When assessing the economic relationship between the hedged item and the hedging instrument, entities shall, in their prospective assessments, assume that the interest rate benchmark on which the hedged item, hedged risk and/or hedging instrument are based is not altered as a result of the reform.

(c) Entities applying IAS 39 for hedge accounting are not required to undertake the IAS 39 retrospective assessment for hedging relationships directly affected by the reform.

(d) For hedges of a non-contractually specified benchmark component of interest rate risk, an entity shall apply the separately identifiable requirement only at inception of such hedging relationships.

Entities shall cease applying the exceptions when the uncertainty arising from the reform is no longer present or when the hedging relationship is discontinued.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The Group has adopted the amendment for the first time in the 2020 consolidated and separate financial statements.

The impact of the amendment is not material.

Definition of a Business - Amendments to IFRS 3

The Amendment:

- confirmed that a business must include inputs and a processes, and clarified that the process must be substantive and that the inputs and process must together significantly contribute to creating outputs.
- narrowed the definitions of a business by focusing the definition of outputs on goods and services provided to customers and other income from ordinary activities, rather than on providing dividends or other economic benefits directly to investors or lowering costs; and
- added a test that makes it easier to conclude that a company has acquired a group of assets, rather than a business, if the value of the assets acquired is substantially all concentrated in a single asset or group of similar assets.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The Group has adopted the amendment for the first time in the 2020 consolidated and separate financial statements.

The impact of the amendment is not material.

Presentation of Financial Statements: Disclosure initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The Group has adopted the amendment for the first time in the 2020 consolidated and separate financial statements.

The impact of the amendment is not material.

Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure Initiative

The amendment clarify and align the definition of 'material' and provide guidance to help improve consistency in the application of that concept whenever it is used in IFRS Standards.

The effective date of the amendment is for years beginning on or after January 1, 2020.

The Group has adopted the amendment for the first time in the 2020 consolidated and separate financial statements.

The impact of the amendment is not material.

4.2 Standards and interpretations not yet effective

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

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

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

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for year beginning on or after January 1, 2023.

The Group expects to adopt the amendment for the first time in the 2023 consolidated and separate financial statements.

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

IFRS 17 Insurance Contracts

The IFRS establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued.

The effective date of the standard is for year beginning on or after January 1, 2023.

The Group expects to adopt the standard for the first time in the 2023 consolidated and separate financial statements.

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

Reference to the Conceptual Framework: Amendments to IFRS 3

The amendment makes reference to the Conceptual Framework for Financial Reporting issued in 2018 rather than to the IASC's Framework for the Preparation and Presentation of Financial Statements. The amendment specifically points to the treatment of liabilities and contingent liabilities acquired as part of a business combination, and which are in the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies. It clarifies that the requirements of IAS 37 or IFRIC 21 should be applied to provisions, contingent liabilities or levies to determine if a present obligation exists at the Acquisition date. The amendment further clarifies that contingent assets of acquirees share not be recognised as part of the business combination.

The effective date of the Group is for year beginning on or after January 1, 2022.

The Group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

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

Annual Improvement to IFRS Standards 2018-2020: Amendments to IFRS 9

The amendment concerns fees in the '10 per cent' test for derecognition of financial liabilities. Accordingly, in determining the relevant fees, only fees paid or received between the borrower and the lender are to be included.

The effective date of the Group is for year beginning on or after January 1, 2022.

The Group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

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

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

The amendment relates to examples of items which are included in the cost of an item of property, plant and equipment. Prior to the amendment, the cost of testing whether the asset is functioning properly was included in the cost of the asset after deducting the net proceeds of selling any items which were produced during the test phase. The amendment now requires that any such proceeds and the cost of those items must be included in profit or loss in accordance with the related standards. Disclosure of such amounts is now specifically required.

The effective date of the Group is for year beginning on or after January 1, 2022.

The Group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

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

Onerous Contracts - Cost of Fulfilling a Contract: Amendments to IAS 37

The amendment defined the costs that are included in the cost of fulfilling a contract when determining the amount recognised as an onerous contract. It specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. These are both the incremental costs of fulfilling the contract as well as an allocation of other costs that relate directly to fulfilling contracts (for example depreciation allocation).

The effective date of the Group is for years beginning on or after January 1, 2022.

The Group expects to adopt the amendment for the first time in the 2022 consolidated and separate financial statements.

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

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 7

The amendment sets out additional disclosure requirements related to interest rate benchmark reform.

The effective date of the Group is for years beginning on or after January 1, 2021.

The Group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

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

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9

When there is a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform then the entity is required to apply paragraph B5.4.5 as a practical expedient. This expedient is only available for such changes in basis of determining contractual cash flows.

Additional temporary exemptions from applying specific hedge accounting requirements as well as additional rules for accounting for qualifying hedging relationships and the designation of risk components have been added to hedge relationships specifically impacted by interest rate benchmark reform.

The effective date of the Group is for years beginning on or after January 1, 2021.

The Group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

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

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 16

If there is a lease modification as a result of the interest rate benchmark reform, then as a practical expedient the lessee is required to apply paragraph 42 of IFRS 16 to account for the changes by remeasuring the lease liability to reflect the revised lease payment. The amendment only applies to modifications as a result of the interest rate benchmark reform.

The effective date of the Group is for years beginning on or after January 1, 2021.

The Group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

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

COVID-19 - Related Rent Concessions - Amendment to IFRS 16

The COVID-19 pandemic has resulted in an amendment to IFRS 16 Leases. Lessees may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. If this election is applied, then any change in lease payments must be accounted for in the same way as a change would be accounted for if it was not a lease modification. This practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payment affects only payments originally due on or before 30 June 2021 and
- there is no substantive change to other terms and conditions of the lease.

The effective date of the amendment is for years beginning on or after June 1, 2020.

The Group expects to adopt the amendment for the first time in the 2021 consolidated and separate financial statements.

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

5. Segment Information

The Group has identified the reportable segments which represent the structure used by the Board to make key operating decisions and assess performance.

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.

These reportable segments as well as the services from which each of them derives revenue are set out below:

	For the year ended 31 December 2020		
Segments by entity	**Transcorp Hotels Calabar Limited**	**Transcorp Hotels Plc**	**Group**
	N '000	**N '000**	**N '000**
Rooms	272,163	6,230,289	6,502,452
Food and beverage	207,726	2,302,459	2,510,185
Shop rental	-	693,794	693,794
Service charge	5,909	77,753	83,662
Other operating revenue	19,082	343,069	362,151
Total revenue from contracts with customers	504,880	9,647,364	10,152,244
Cost of Sales			
Food and Beverage	(120,323)	(1,940,444)	(2,060,767)
Rooms	(93,251)	(1,207,572)	(1,300,823)
Other operating expenses	-	(127,884)	(127,884)
Total Cost of Sales	(213,574)	(3,275,900)	(3,489,474)
Gross Profit	291,306	6,371,464	6,662,770
Net other expenses	(488,110)	(15,114,947)	(15,603,057)
Loss before tax	(196,804)	(8,743,483)	(8,940,287)
Tax	52,745	2,612,024	2,664,769
Net Loss	**(144,059)**	**(6,131,459)**	**(6,275,518)**

Segments by entity	For the year ended 31 December 2019		
	Transcorp Hotels Calabar Limited	Transcorp Hotels Plc	Group
	N '000	N '000	N '000
Rooms	495,266	12,166,106	12,661,372
Food and beverage	366,304	5,613,564	5,979,868
Shop rental	-	797,745	797,745
Service charge	10,581	147,140	157,721
Other operating revenue	32,485	775,342	807,827
Total revenue from contracts with customers	904,636	19,499,897	20,404,533
Cost of Sales			
Rooms	(52,539)	(1,648,481)	(1,701,020)
Food and Beverage	(242,053)	(2,953,560)	(3,195,613)
Other operating expenses	-	(179,577)	(179,577)
Total Cost of Sales	(294,592)	(4,781,618)	(5,076,210)
Gross Profit	610,044	14,718,279	15,328,323
Net other expenses	(619,737)	(13,584,353)	(14,204,090)
(Loss)/Profit before tax	(9,693)	1,133,926	1,124,233
Tax	(10,254)	(500,243)	(510,497)
Net (Loss)/Profit	**(19,947)**	**633,683**	**613,736**

The net other expenses have been aggregated for both entities, it includes expenses for the two non-operating subsidiaries - Transcorp Hotels Ikoyi and Transcorp Hotels Port Harcourt.

6. Financial instruments and Risk Management

6.1 Capital risk Management

The Group's objective when managing capital (which includes share capital, retained earnings, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 20% and 70% and a minimum B credit rating. The Group includes within net debt, interest bearing loans and borrowings, less cash and bank balances.

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

No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 2019.

The capital structure and gearing ratio of the Group at the reporting date was as follows:

		Group		Company	
	Note	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Borrowings	30	20,972,834	32,329,832	20,972,834	32,329,832
Cash and cash equivalents	28	(1,818,257)	(2,439,341)	(1,776,138)	(2,374,956)
Net borrowings		**19,154,577**	**29,890,491**	**19,196,696**	**29,954,876**
Equity		61,102,909	57,542,917	61,443,234	57,739,183
Gearing ratio		31%	52%	31%	52%

6.2 Financial risk Management

Overview

The Group is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

These risks contribute to the key financial risk that the proceeds from the Group's financial assets are insufficient to fund the obligations arising from insurance policy contracts.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees on policies for managing each of these risks, which are summarised below.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

6.2.1 Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risk exposure arising on cash and cash equivalents is managed by the Group through dealing with well-established financial institutions with high credit ratings.

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.

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.

Credit loss allowances for expected credit losses are recognised for all debt instruments but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

Refer to Note 25 for detailed disclosures on impairment of trade receivables and other financial assets.

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 Hotels Plc's trade and other receivables.

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

Group		2020			2019		
		Gross Carrying Amount	Credit Loss Allowance	Amortised Cost / Fair Value	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost / Fair Value
Trade and other receivables	26	918,545	(73,681)	844,864	1,598,702	(127,019)	1,471,683
Cash and cash equivalents	28	1,818,257	-	1,818,257	2,439,341	-	2,439,341
		2,736,802	**(73,681)**	**2,663,121**	**4,038,043**	**(127,019)**	**3,911,024**

Company		2020			2019		
		Gross Carrying Amount	Credit Loss Allowance	Amortised Cost / Fair Value	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost / Fair Value
Trade and other receivables	26	1,035,727	(51,899)	983,828	1,640,754	(107,631)	1,533,123
Cash and cash equivalents	28	1,776,138	-	1,776,138	2,374,956	-	2,374,956
		2,811,865	**(51,899)**	**2,759,966**	**4,015,710**	**(107,631)**	**3,908,079**

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

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

6.2.2 Liquidity Risk

The Group is exposed to liquidity risk, which is the risk that the Group will encounter difficulties in meeting its obligations as they become due as a result of obligations, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the consolidated balance sheet and sales of assets, or potentially an inability to fulfil obligations and commitments.

The Group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

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 flow 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.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

The maturity profile of contractual cash flow of non-derivative financial liabilities and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group - 2020

	0-3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
Trade and other payables	-	19,181,837	-	-	19,181,837	19,157,837
Borrowings	338,571	7,481,925	12,744,007	408,331	20,972,834	20,972,834
Dividend payable	-	125,576	-	-	125,576	-
	338,571	**26,789,338**	**12,744,007**	**408,331**	**40,280,247**	**40,130,671**

Group - 2019

	0-3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
Trade and other payables	-	9,672,576	-	-	9,672,576	9,672,576
Borrowings	4,694,538	6,175,758	19,432,698	2,026,838	32,329,832	32,329,832
Dividend payable	-	92,160	-	92,160	184,320	87,944
	4,694,538	**15,940,494**	**19,432,698**	**2,118,998**	**42,186,728**	**42,090,352**

Company - 2020

	0-3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
Trade and other payables	-	18,954,101	-	-	18,954,101	18,954,101
Borrowings	338,571	7,481,925	12,744,007	408,331	20,972,834	20,972,834
Dividend payable	-	125,576	-	-	125,576	-
	338,571	**26,561,602**	**12,744,007**	**408,331**	**40,052,511**	**39,926,935**

Company - 2019

	0-3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
Trade and other payables	-	9,485,614	-	-	9,485,614	9,485,614
Borrowings	4,694,538	6,175,758	19,432,698	2,026,838	32,329,832	32,329,832
Dividend payable	92,160	-	-	-	92,160	87,944
	4,786,698	**15,661,372**	**19,432,698**	**2,026,838**	**41,907,606**	**41,903,390**

6.2.3 Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, exchange rates and other price risk such as equity and commodity price risks. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign Currency Risk

The Group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the Group deals primarily are US Dollars, GB Pounds and Euros.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).

There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting period.

Exposure in Foreign Currency Amounts

The net carrying amounts, in foreign currency of the above exposure was as follows:

	Group		Company	
	2020 '000	2019 '000	2020 '000	2019 '000
US Dollar Exposure:				
Cash and cash equivalents	479	1,413	402	1,354
Trade and other payables	(765)	-	(765)	-
Borrowings	(8,589)	(8,000)	(8,589)	(8,000)
Net US Dollar Exposure	**(8,589)**	**(6,587)**	**(8,952)**	**(6,646)**
Euro Exposure:				
Cash and cash equivalents	2	41	2	41
GB Pounds				
Cash and cash equivalents	44	58	44	58

Foreign Currency Sensitivity Analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting year.

Group	2020	2020	2019	2019
Increase or Decrease in Rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on Profit or Loss:				
US Dollars 5% (2019: 5%)	(166,542)	166,542	32,499	(32,499)
Euro 5% (2019: 5 %)	44	(44)	-	-
GB Pounds 5% (2019: 5%)	1,149	(1,149)	1,435	(1,435)
	(165,349)	**195,349**	**33,934**	**(33,934)**

Company	2020	2020	2019	2019
Increase or Decrease in Rate	**Increase**	**Decrease**	**Increase**	**Decrease**
Impact on Profit or Loss:				
US Dollar 5% (2019: 5%)	(166,542)	166,542	24,643	(24,643)
Euro 5% (2019: 5 %)	44	(44)	-	-
GB Pounds 5% (2019: 5%)	1,149	(1,149)	1,435	(1,435)
	(165,349)	**195,349**	**26,078**	**(26,078)**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates is being reduced since the Group's long-term debt obligations are fixed interest rates.

Price risk

The Group is not exposed to commodity price risk.

There have been no significant changes in the price risk management policies and processes since the prior reporting year.

7. Fair value information

Accounting classification and Fair value measurements

The table below summarises the carrying amounts and fair values of the financial assets and liabilities.

Group 31 December 2020 Amounts in (N '000)		Carrying amount				Fair value			
	Note	Fair Value-Through-PL	Financial Assets Measured at Amortised Cost	Fair Value-Through-OCI	Total	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value									
		-	-	-	-	-	-	-	-
Financial Assets not Measured at Fair Value									
Trade and other receivables	26	-	1,591,028	-	1,591,028	-	1,591,028	-	1,591,028
Cash and cash equivalents	28	-	1,818,257	-	1,818,257	1,818,257	-	-	1,818,257
		-	3,409,285	-	3,409,285	1,818,257	1,591,028	-	3,409,285
Financial Liabilities not Measured at Fair Value									
Borrowings	30	-	20,972,834	-	20,972,834	-	20,972,834	-	20,972,834
Trade and other payables (excluding statutory deductions)		-	19,157,837	-	19,157,837	-	19,157,837	-	19,157,837
		-	40,130,671	-	40,130,671	-	40,130,671	-	40,130,671
Group **31 December 2019** **In Thousands of Naira**									
Financial Assets Measured at Fair Value									
		-	-	-	-	-	-	-	-
Financial Assets not Measured at Fair Value									
Trade and other receivables	26	-	2,256,504	-	2,256,504	-	-	2,256,504	2,256,504
Cash and cash equivalents	28	-	2,439,341	-	2,439,341	2,439,341	-		2,439,341
		-	4,695,845	-	4,695,845	2,439,341	-	2,256,504	4,695,845
Financial Liabilities not Measured at Fair Value									
Borrowings	30	-	32,329,832	-	32,329,832	-	32,329,832	-	32,329,832
Dividend payable	35	-	87,944	-	87,944	-	87,944	-	87,944
Trade and other payables (excluding statutory deductions)		-	9,672,576	-	9,672,576	-	9,672,576	-	9,672,576
		-	42,090,352	-	42,090,352	-	42,090,352	42,090,352	42,090,352

Fair value information (continued)

Company 31 December 2020 Amounts in (N '000)	Note	Carrying amount: Fair Value-Through-PL	Financial Assets Measured at Amortised Cost	Fair Value-Through-OCI	Total	Fair value: Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value									
Investment property		2,312,000	-	-	2,312,000	-	-	2,312,000	2,312,000
		2,312,000	-	-	2,312,000	-	-	2,312,000	2,312,000
Financial Assets not Measured at Fair Value									
Trade and other receivables	26	-	1,690,333	-	1,690,333	-	1,690,333	-	1,690,333
Cash and cash equivalents	28	-	1,776,138	-	1,776,138	1,776,138	-	-	1,776,138
Long term receivables		-	6,671,327	-	6,671,327	-	6,671,327	-	6,671,327
		-	10,137,798	-	10,137,798	1,776,138	8,361,660	-	10,137,798
Financial Liabilities not Measured at Fair Value									
Borrowings	30	-	20,972,834	-	20,972,834	-	20,972,834	-	20,972,834
Trade and other payables (excluding statutory deductions)		-	18,954,101	-	18,954,101	-	18,954,101	-	18,954,101
		-	39,926,935	-	39,926,935	-	39,926,935	-	39,926,935
Company 31 December 2019 In Thousands of Naira									
Assets Measured at Fair Value									
Investment property		2,309,000	-	-	2,309,000	-	-	2,309,000	2,309,000
		2,309,000	-	-	2,309,000	-	-	2,309,000	2,309,000
Financial Assets not Measured at Fair Value									
Trade and other receivables	26	-	2,297,589	-	2,297,589	-	2,297,589	-	2,297,589
Cash and cash equivalents	28	-	2,374,956	-	2,374,956	2,374,956	-	-	2,374,956
Long term receivables		-	6,664,613	-	6,664,613	-	6,664,613	-	6,664,613
		-	11,337,158	-	11,337,158	2,374,956	8,962,202	-	11,337,158
Financial Liabilities not Measured at Fair Value									
Borrowings	30	-	32,329,832	-	32,329,832	-	32,329,832	-	32,329,832
Dividend payable	35	-	87,944	-	87,944	-	87,944	-	87,944
Trade and other payables (excluding statutory deductions)		-	9,485,614	-	9,485,614	-	9,485,614	-	9,485,614
		-	41,903,390	-	41,903,390	-	41,903,390	-	41,903,390

Fair Value Hierarchy

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

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. All level 2 valuations were derived using either the net present value and discounted cash flow models or comparison with similar instruments for which market observable prices exist.

Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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

Valuation Processes Applied by the Group

The following fair valuation methods and assumptions were used:

- **Cash & cash equivalents:** represents cash held in various bank accounts at the end of the period. The fair value of this amount is the carrying amount.
- **Trade and Other receivables:** represent amount due from third parties and other related parties which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- **Trade payable:** represents amount payable to vendors and other creditors which have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- **Other liabilities:** are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values.

8. Interests in Subsidiaries Including Consolidated Structured Entities

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

Company

Name of company	Held by	% holding 2020	% Holding 2019	Carrying Amount 2020	Carrying Amount 2019
Transcorp Hotels Calabar Limited	Transcorp Hotels Plc	100.00%	100.00%	3,508,621	3,508,621
Transcorp Hotels Port Harcourt Limited	Transcorp Hotels Plc	100.00%	100.00%	20,000	20,000
Transcorp Hotels Ikoyi Limited	Transcorp Hotels Plc	58.00%	58.00%	1,160	1,160
				3,529,781	3,529,781

All the subsidiaries are incorporated in Nigeria to carry on hospitality business.

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

The Ministry of Finance Incorporated owns 11.04% of the ordinary shares of Transcorp Hotels Plc (2019: 11.02%).

Subsidiaries with Material Non-Controlling Interests

The following information is provided for subsidiary with non-controlling interests which are material to the reporting Group.

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest	
		2020	2019
Transcorp Hotels Ikoyi Limited	Nigeria	42%	42%

The summarised financial information of subsidiaries prior to intercompany eliminations are shown below.

2020

Summarised statement of financial position	Non Current Assets	Current Assets	**Total Assets**	Non Current Liabilities	Current Liabilities	**Total Liabilities**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Transcorp Hotels Calabar Limited	1,779,075	184,591	**1,963,666**	-	527,390	**527,390**
Transcorp Hotels Port Harcourt Limited	640,343	-	**640,343**	620,171	36,715	**656,886**
Transcorp Hotels Ikoyi Limited	8,421,631	-	**8,421,631**	6,940,120	1,493,716	**8,433,836**
Total	10,841,049	184,591	**11,025,640**	7,560,291	2,057,821	**9,618,112**

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit/(Loss) Before Tax	Tax Expense	**Profit/(Loss)**	**Total Comprehensive Income**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Transcorp Hotels Calabar Limited	504,881	(187,880)	52,745	**(135,135)**	**(135,135)**
Transcorp Hotels Port Harcourt Limited	-	(8,434)	-	**(8,434)**	**(8,434)**
Transcorp Hotels Ikoyi Limited	-	2,511	-	**2,511**	**2,511**
Total	504,881	(193,803)	52,745	**(141,058)**	**(141,058)**

2019

Summarised statement of financial position	Non Current Assets	Current Assets	**Total Assets**	Non current Liabilities	Current Liabilities	**Total Liabilities**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Transcorp Hotels Calabar Limited	1,815,654	233,616	**2,049,270**	-	477,857	**477,857**
Transcorp Hotels Port Harcourt Limited	637,966	-	**637,966**	620,171	25,905	**646,076**
Transcorp Hotels Ikoyi Limited	8,421,631	2,000	**8,423,631**	6,940,120	1,498,228	**8,438,348**
Total	10,875,251	235,616	**11,110,867**	7,560,291	2,001,990	**9,562,281**

Summarised statement of profit or loss and other comprehensive income	Revenue	Profit Before Tax	Tax Expense	**Profit/(Loss)**	**Total Comprehensive Income**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Transcorp Hotels Calabar Limited	904,634	34,384	(10,254)	**24,130**	**24,130**
Transcorp Hotels Port Harcourt Limited	-	(3,954)	-	**(3,954)**	**(3,954)**
Transcorp Hotels Ikoyi Limited	-	(4,363)	-	**(4,363)**	**(4,363)**
Total	904,634	26,067	(10,254)	**15,813**	**15,813**

9. Revenue

Disaggregation of Revenue from Contracts with Customers

The Group disaggregates revenue from customers as follows:

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Food & Beverage	2,510,185	5,979,868	2,302,459	5,613,564
Rooms	6,502,452	12,661,372	6,230,289	12,166,106
Service charge	83,662	157,721	77,753	147,140
Shop rental	693,794	797,745	693,794	797,745
Other operating revenue	362,151	807,827	343,069	775,342
	10,152,244	**20,404,533**	**9,647,364**	**19,499,897**

10. Cost of Sales

Food and beverages	2,060,767	3,195,613	1,940,444	2,953,560
Rooms	1,300,823	1,701,020	1,207,572	1,648,481
Other operating costs	127,884	179,577	127,884	179,577
	3,489,474	**5,076,210**	**3,275,900**	**4,781,618**

11. Other Operating Income

Release of Key money	157,970	147,680	157,970	147,680
Reversal of provision	7,041	-	7,041	-
Other income	139,802	144,915	127,802	144,915
Release from deferred income	253,488	170,854	253,488	170,854
Gain on property, plant and equipment	2,815	951	2,815	20
Fair value gain on investment property			3,000	39,000
Net foreign exchange loss	(390,145)	(3,922)	(391,582)	(5,036)
	170,971	**460,478**	**160,534**	**497,433**

12. Finance Income

Interest Income				
Bank deposits	6,213	104,699	5,949	104,367

13. Finance Costs

Interest on debts and borrowings	5,306,339	5,707,307	5,306,339	5,707,307
Total Finance Costs	**5,306,339**	**5,707,307**	**5,306,339**	**5,707,307**
Less: Capitalised to qualifying assets	-	(1,404,359)	-	(1,404,359)
Total Finance Costs Expensed	**5,306,339**	**4,302,948**	**5,306,339**	**4,302,948**

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 which was 17% in prior year.

14 Movement in credit loss allowances

Trade and other receivables	(53,199)	55,191	(55,732)	52,640

15. Administrative Expenses

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Management fees	518,773	1,445,590	518,773	1,445,590
Advertising	97,938	425,117	95,459	421,392
Amortisation	24,593	24,008	24,181	23,076
Auditors remuneration	37,680	47,330	23,600	29,500
Bank charges	171,770	262,788	166,009	255,851
Consulting and professional fees	94,841	109,071	87,067	102,594
Depreciation	2,575,422	1,864,568	2,461,768	1,750,769
Donations	1,426	8,940	1,319	8,757
Employee costs	1,359,266	1,674,363	1,227,525	1,527,760
Group services and benefits	192,947	391,861	192,947	391,861
Directors' remuneration	224,640	232,953	224,640	228,253
Licenses, fees and rates	61,809	110,465	59,517	108,830
Insurance	418,652	384,737	413,319	377,179
IT expenses	121,450	143,853	118,333	140,394
Medical expenses	296,429	141,216	296,429	141,216
Energy expenses	967,453	1,286,715	850,004	1,128,668
Other expenses	427,272	707,241	393,056	675,101
Printing and stationery	9,524	39,817	9,524	39,817
Repairs and maintenance	559,246	877,581	518,825	825,853
Security	54,465	69,556	38,403	57,900
Travel, logistics and accommodation	73,331	163,358	71,951	150,204
	8,288,927	**10,411,128**	**7,792,649**	**9,830,565**

16. Employee costs

	Group 2020 N '000	Group 2019 N '000	Company 2020 N '000	Company 2019 N '000
Direct employee costs				
Wages and salaries	1,305,533	1,754,656	1,235,334	1,677,115
Pension	119,094	69,880	119,094	69,880
	1,424,627	**1,824,536**	**1,354,428**	**1,746,995**
Indirect Employee Costs				
Wages and salaries	1,343,680	1,507,191	1,211,939	1,360,588
Pension	15,586	167,172	15,586	167,172
	1,359,266	**1,674,363**	**1,227,525**	**1,527,760**
Total Employee Costs				
Direct employee costs	1,424,627	1,824,536	1,354,428	1,746,995
Indirect employee costs	1,359,266	1,674,363	1,227,525	1,527,760
	2,783,893	**3,498,899**	**2,581,953**	**3,274,755**
Average Number of Persons Employed During the Year				
Managerial	30	48	29	39
Senior staff	121	182	101	161
Others	617	1,222	530	1,174
	768	**1,452**	**660**	**1,374**

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

	Group 2020	Group 2019	Company 2020	Company 2019
N360,000 - N500,000	107	171	35	162
N500,001 - N1,000,000	131	264	108	222
N1,000,001 - N2,000,000	382	132	374	115
N2,000,001 - N4,000,000	119	811	114	809
N4,000,001 - N5,000,000	8	36	8	36
N5,000,001 and above	21	38	21	30
	768	**1,452**	**660**	**1,374**

16.1 Compensation of Managers

	Group 2020	Group 2019	Company 2020	Company 2019
Salaries and other short-term employee benefits	274,931	475,021	250,131	463,021
Defined contributions	15,738	24,577	15,130	24,008
	290,669	**499,598**	**265,261**	**487,029**

Managers excludes Directors (Executive and Non-Executive). The compensation paid or payable to Managers for services is as shown above.

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

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Below N10,000,000	24	27	23	27
Above N10,000,000	6	14	6	14
	30	**41**	**29**	**41**

16.2 Termination/Retirement Benefits

Following the completion of the restructuring exercise for Transcorp Hilton's workforce and the renegotiation of the Collective Bargaining Agreement (CBA), additional cost of N1.18 billion and N1.06 billion were recognised as termination benefit cost and retirement benefit as at 31 December respectively. The provision for retirement benefit relates to the established liabilities for the existing staff.

Termination benefit for exiting staff	1,179,053	-	1,179,053	-
Accrual for retirement benefit for existing staff	1,059,121	-	1,059,121	-
	2,238,174	**-**	**2,238,174**	**-**

17. Taxation

Major components of the tax (income) expense				
Current				
Income tax charge	26,208	328,238	24,945	312,100
Tertiary education tax charge	-	65,514	-	62,374
Capital gains tax	197	-	197	-
	26,405	**393,752**	**25,142**	**374,474**
Deferred				
Originating and reversing temporary differences	(2,691,174)	116,745	(2,637,166)	125,769
Tax expense in the statement of profit or loss	**(2,664,769)**	**510,497**	**(2,612,024)**	**500,243**
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense				
Accounting loss	(8,940,287)	1,124,233	(8,743,483)	1,133,926
Tax at the applicable tax rate of 30% (2019: 30%)	(2,682,086)	337,270	(2,623,045)	340,178
Tax effect of adjustments on taxable income				
Tertiary education tax	-	65,514	-	62,374
Capital gain tax	197	-	197	-
Deferred education tax	(7,467)	-	(7,416)	-
Non-deductible expenses	5,257	145,446	2,850	129,244
Non- allowable income	(8,152)	(37,733)	(8,152)	(31,553)
Others	1,267	-	(510)	-
Fair value adjustment	-	-	(900)	-
Minimum tax	26,215	-	24,952	-
	(2,664,769)	**510,497**	**(2,612,024)**	**500,243**
Current tax payable				
Opening balance	728,457	1,775,704	706,532	1,748,793
Charge for the year	26,405	393,752	25,142	374,474
payment	(448,750)	(1,440,999)	(429,464)	(1,416,735)
31 December 2020	**306,112**	**728,457**	**302,210**	**706,532**

18. Deferred tax

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Deferred tax liability	(4,466,066)	(7,103,233)	(4,466,066)	(7,103,233)
Deferred tax asset	132,719	78,711	-	-
Total Net Deferred Tax Liability	**(4,333,347)**	**(7,024,522)**	**(4,466,066)**	**(7,103,233)**

The deferred tax asset and deferred tax liability relate to Transcorp Hotels Calabar and Transcorp Hotels Abuja respectively.

Group **Deferred Tax Assets/(Liabilities) in Relation to:**	**Opening balance**	**Recognised in profit or loss**	**2019 Closing balance**	**Recognised in profit or loss**	**2020 Closing balance**
	N '000	**N '000**	**N '000**	**N '000**	**N '000**
Property, plant and equipment	(4,144,447)	10,929	(4,133,518)	782,792	(3,350,726)
Expected credit losses on financial assets	10,030	19,599	29,629	(34,425)	(4,796)
Exchange difference	-	(147,273)	(147,273)	147,456	184
Investment property	(3,087,263)	-	(3,087,263)	-	(3,087,263)
Unused tax losses	313,903	-	313,903	1,795,351	2,109,254
	(6,907,777)	**(116,745)**	**(7,024,522)**	**2,691,174**	**(4,333,347)**

Company **Deferred Tax Assets/(Liabilities) in Relation to:**	**Opening balance**	**Recognised in profit or loss**	**2019 Closing balance**	**Recognised in profit or loss**	**2020 Closing balance**
	N '000	**N '000**	**N '000**	**N '000**	**N '000**
Property, plant and equipment	(3,893,384)	(9,755)	(3,903,139)	748,696	(3,154,443)
Expected credit losses on financial assets	3,183	31,259	34,442	(35,236)	(794)
Exchange difference	-	(147,273)	(147,273)	147,456	184
Investment property	(3,087,263)	-	(3,087,263)	-	(3,087,263)
Unused tax losses	-	-	-	1,776,250	1,776,250
	(6,977,464)	**(125,769)**	**(7,103,233)**	**2,637,166**	**(4,466,066)**

19. Earnings Per Share

Basic Earnings Per Share

Basic earnings per share is determined by dividing profit/(loss) attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic (loss)/profit per share (kobo)	(77)	8	(75)	8
(Loss) /profit for the year attributable to equity holders of the parent	(6,276,573)	615,568	(6,131,459)	633,683
Weighted number of shares at the end of the year ('000)	8,191,290	7,719,888	8,191,290	7,719,888

The weighted average number of shares has been adjusted for effect of right issue subscribed to during the year. The rights issue opened on 5 October 2020 and closed on 11 November 2020 at N3.76k per share base of seven (7) new ordinary shares for every Twenty (20) existing ordinary shares held.

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

20. Property, Plant and Equipment

Group

	Land N '000	Buildings N '000	Plant and machinery N '000	Motor Vehicles N '000	Office Equipment N '000	Capital-Work in progress N '000	Total N '000
Cost							
At 1 January 2019	37,271,552	15,800,693	3,727,592	473,398	3,341,371	51,323,156	111,937,762
Additions	-	213,955	309,848	93,800	308,594	2,829,417	3,755,614
Borrowing costs capitalised	-	-	-	-	-	1,404,359	1,404,359
Disposals	-	(7,689)	(4,423)	(24,003)	(787)	-	(36,902)
Reclassifications	-	32,335,125	1,503,907	-	14,036,459	(47,875,491)	-
At 31 December 2019	**37,271,552**	**48,342,084**	**5,536,924**	**543,195**	**17,685,637**	**7,681,441**	**117,060,833**
Additions	-	1,905	360,072	60,900	262,521	1,001,375	1,686,773
Disposals and scrappings	-	-	-	-	(1,222)	-	(1,222)
Reclassifications	-	2,101,185	42,089	-	-	(2,143,274)	-
At 31 December 2020	**37,271,552**	**50,445,174**	**5,939,085**	**604,095**	**17,946,936**	**6,539,542**	**118,746,384**
Depreciation and Impairment							
At 1 January 2019	-	(2,898,747)	(2,622,689)	(450,240)	(2,659,975)	-	(8,631,651)
Disposals	-	3,679	3,157	24,256	410	-	31,502
Depreciation	-	(762,388)	(266,323)	(31,734)	(804,123)	-	(1,864,568)
At 31 December 2019	**-**	**(3,657,456)**	**(2,885,855)**	**(457,718)**	**(3,463,688)**	**-**	**(10,464,717)**
Disposals					848	-	848
Depreciation	-	(1,062,241)	(295,028)	(30,700)	(1,187,453)	-	(2,575,422)
At 31 December 2020	**-**	**(4,719,697)**	**(3,180,883)**	**(488,418)**	**(4,650,293)**	**-**	**(13,039,291)**
Carrying Amount							
At 31 December 2019	**37,271,552**	**44,684,628**	**2,651,069**	**85,477**	**14,221,949**	**7,681,441**	**106,596,116**
At 31 December 2020	**35,840,589**	**47,795,350**	**2,685,824**	**111,675**	**13,297,014**	**5,976,641**	**105,707,093**

Property, Plant and Equipment (continued)

Company

	Land N '000	Buildings N '000	Plant and machinery N '000	Motor Vehicles N '000	Office Equipment N '000	Capital-Work in progress N '000	Total N '000
Cost							
At 1 January 2019	30,872,625	14,567,151	3,199,303	456,280	2,976,554	46,176,989	98,248,902
Additions	-	208,992	71,384	92,600	294,190	2,829,417	3,496,583
Borrowing costs capitalised	-	-	-	-	-	1,404,359	1,404,359
Disposals and scrappings	-	-	(2,989)	(20,000)	(670)	-	(23,659)
Reclassifications	-	32,335,125	1,503,907	-	14,036,459	(47,875,491)	-
At 31 December 2019	**30,872,625**	**47,111,268**	**4,771,605**	**528,880**	**17,306,533**	**2,535,274**	**103,126,185**
Additions	-	1,582	343,554	60,900	255,883	1,001,375	1,663,294
Disposals and scrappings	-	-	-	-	(1,222)	-	(1,222)
Reclassifications	-	2,101,185	42,089	-	-	(2,143,274)	-
At 31 December 2020	**30,872,625**	**49,214,035**	**5,157,248**	**589,780**	**17,561,194**	**1,393,375**	**104,788,257**
Depreciation and Impairment							
At 1 January 2019	-	(2,643,971)	(2,245,985)	(433,122)	(2,339,497)	-	(7,662,575)
Disposals	-	-	2,304	16,250	293	-	18,847
Depreciation	-	(718,430)	(214,932)	(31,709)	(785,698)	-	(1,750,769)
At 31 December 2019	**-**	**(3,362,401)**	**(2,458,613)**	**(448,581)**	**(3,124,902)**	**-**	**(9,394,497)**
Disposals					848	-	848
Depreciation	-	(1,018,841)	(242,402)	(30,400)	(1,170,125)	-	(2,461,768)
At 31 December 2020	**-**	**(4,381,242)**	**(2,701,015)**	**(478,981)**	**(4,294,179)**	**-**	**(11,855,417)**
Carrying Amount							
Cost	30,872,625	47,111,268	4,771,605	528,880	17,306,533	2,535,274	103,126,185
Accumulated depreciation and impairment	-	(3,362,401)	(2,458,613)	(448,581)	(3,124,902)	-	(9,394,497)
At 31 December 2019	**30,872,625**	**43,748,867**	**2,312,992**	**80,299**	**14,181,631**	**2,535,274**	**93,731,688**
Cost	30,872,625	49,214,035	5,157,248	589,780	17,561,194	1,393,375	104,788,257
Accumulated depreciation and impairment	-	(4,381,574)	(2,701,015)	(478,980)	(4,293,848)	-	(11,855,417)
At 31 December 2020	**30,872,625**	**44,832,461**	**2,456,233**	**110,800**	**13,267,346**	**1,393,375**	**92,932,840**

Property, Plant and Equipment Encumbered as Security

As at 31 December 2020, there is a negative pledge over the other Group's property, plant and equipment and floating assets, which have been given in relation to the Group's borrowings. (2019: Nil).

Impairment and Reversal of Impairment

No impairment loss nor reversal was recognised in the current year (2019: Nil).

Capital Commitment

At 31 December 2020, the company had no capital commitments for the acquisition of property, plant and equipment (2019: Nil).

Capital Work in Progress

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

21. Investment Property

Company

	Investment property N '000
Cost	
At 1 January 2019	2,270,000
Fair value adjustments	39,000
At 31 December 2019	**2,309,000**
Fair value adjustments	3,000
At 31 December 2020	**2,312,000**

Details of Property

Investment properties are carried at fair value as at 31 December 2020 which has been determined by an independent professional valuer, Mr. Chukwudi Ubosi of Ubosi Eleh & Co. Estate Surveyors & valuers, a registered member of Financial Reporting Council of Nigeria (FRCN/2014/NIESV/0000003997). Valuations are performed on an annual basis and the fair value gains and losses are recognised in the profit or loss account.

Investment properties relates to the 4,081.52 square metres of land at Ikegwere street, Oromeruezingbu Village, Port Harcourt, Rivers State, Nigeria and 10,141.27 square metres of bare land at Evo Road, GRA Phase II, Port Harcourt, Rivers State.

This investment property is occupied by Transcorp Hotels Port Harcourt Limited (a subsidiary of the Group). In line with IAS 40, this investment property has been reclassified to property, plant and equipment in the consolidated financial statements.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

Fair value hierarchy disclosures for investment properties are in Note 7.

Details of Valuation

The open market method of valuation was used to arrive at the fair value of the land. This method involved assessing the property physically and adopting the cost of construction used in capitalization to arrive at depreciated value after adjusting for depreciation. Also, a market research was analysed by comparing similar properties that have recently been transacted in the open market within the locality and adjusting appropriately in arriving at the value.

The land and building was fair valued in the open market using the Depreciated Replacement Cost method of valuation, this method seeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) and other infrastructural facilities on it, including professional fees and finance costs less allowance for passage of time.

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

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

Valuation Technique	**Significant Unobservable Inputs**	**Range (Weighted Average) 2020**	**2019**
Land at Ikegwere street, Port Harcourt - comparison method	Estimated rental value per sqm per month (N'000)	704	694
	Rent growth p.a.	1.47 %	1.49%
	Average land value per square meter (N'000)	150,538	150,538
Land at Evo Road, GRA - comparison method	Estimated rental value per sqm per month (N'000)	770	770
	Rent growth p.a.	1.08%	1.08%
	Average land value per square meter (N'000)	167,742	166,667

22. Intangible Assets

Group	Computer Software N '000	Total N '000
Cost		
At 1 January 2019	226,733	226,733
Additions	56,811	56,811
At 31 December 2019	**283,544**	**283,544**
Additions	12,443	12,443
At 31 December 2020	**295,987**	**295,987**
Depreciation and impairment		
At 1 January 2019	(132,558)	(132,558)
Amortisation	(24,008)	(24,008)
At 31 December 2019	**(156,566)**	**(156,566)**
Amortisation	(24,593)	(24,593)
At 31 December 2020	**(181,159)**	**(181,159)**
Carrying amount		
At 31 December 2019	**126,978**	**126,978**
At 31 December 2020	**114,828**	**114,828**

Company	Computer Software N '000	Total N '000
Cost		
At 1 January 2019	216,271	216,271
Additions	55,987	55,987
At 31 December 2019	**272,258**	**272,258**
Additions	12,443	12,443
At 31 December 2020	**284,701**	**284,701**
Depreciation and impairment		
At 1 January 2019	(122,891)	(122,891)
Amortisation	(23,076)	(23,076)
At 31 December 2019	**(145,967)**	**(145,967)**
Amortisation	(24,181)	(24,181)
At 31 December 2020	**(170,148)**	**(170,148)**
Carrying amount		
At 31 December 2019	**126,291**	**126,291**
At 31 December 2020	**114,553**	**114,553**

Other information

Computer software consists of acquisition costs of software used in the day-to-day operations of the Group. These assets were tested for impairment and no impairment loss was recognised during the period ended 31 December 2020 (2019: Nil).

23. Goodwill

Group	2020			2019		
	Cost	Accumulated impairment	Carrying value	Cost		Carrying value
Goodwill	1,974,756	-	1,974,756	1,974,756	-	1,974,756

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

In assessing goodwill for impairment at 31 December 2019 and 31 December 2020, the Group compared the recoverable amount of the net assets of 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 Transcorp Hotels Calabar Limited 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 2020, the fair values of the assets of Transcorp Hotel Calabar Limited has been determined by Mr. Chukwudi Ubosi of Ubosi Eleh & Co. Estate Surveyors & Valuers with FRC/2014/NIES0000003997, an accredited independent valuer.

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 insurance charges where applicable.

The Board has estimated the costs of disposal to be 5% (2019: 10%) of the fair value of the assets of the subsidiary.

	Group	
	2020 N '000	2019 N '000
Analysis of values		
The fair value has been determined as follows:		
Market value		
Land and building	4,730,000	4,700,000
Items of plant and machinery	685,954	705,174
Items of office/computer equipment	73,327	74,823
Motor vehicles	15,529	17,118
Items of furniture and fittings	210,849	213,370
Intangible assets	275	275
Current assets	184,591	233,614
Total market value of assets	5,900,525	5,944,374
Fair value of liabilities	(523,488)	(477,857)
Net Fair value	5,377,037	5,466,517
Costs of disposal at 5% (2019: 10%)	(268,852)	(547,052)
Fair value of property, plant and equipment less cost of disposal	5,108,185	4,923,465
Carrying Value		
Asset at 31 December	1,303,556	1,492,699
Goodwill as at 31 December	1,974,756	1,974,756
	3,278,312	**3,467,455**

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.

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
24. Long term receivables				
Transcorp Hotels Ikoyi Limited	-	-	6,016,148	6,020,952
Transcorp Hotels Port Harcourt Limited	-	-	655,179	643,661
	-	**-**	**6,671,327**	**6,664,613**
Opening balance	-	-	6,664,613	6,583,955
Movement:				
Transcorp Hotels Ikoyi Limited	-	-	(4,804)	16,874
Transcorp Hotels Port Harcourt Limited	-	-	11,518	63,784
	-	**-**	**6,671,327**	**6,664,613**
25 Inventories				
Food and beverage	194,732	146,038	173,567	121,239
Guest supplies	161,696	139,566	152,982	130,000
Fuel	31,851	42,203	31,851	42,203
Engineering spares	196,262	208,009	186,417	192,888
	584,541	535,816	544,817	486,330
Inventories (write-downs)	-	(7,041)	-	(7,041)
	584,541	**528,775**	**544,817**	**479,289**

The cost of inventories recognised as an expense during the year in the Group was N0.85 billion (2019: N1.70 billion). For the Company, the amount recognised was N0.73 billion (2019: N1.53 billion).

Inventory Pledged as Security

No inventory was pledged as security for any facilities during the year (2019: Nil).

26. Trade and Other Receivables

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Financial Instruments:				
Trade receivables	918,455	1,596,699	846,268	1,486,987
Trade receivables - related parties	90	2,003	189,459	153,767
Loss allowance (26.1 & 26.2)	(73,681)	(127,019)	(51,899)	(107,631)
Trade receivables at amortised cost	844,864	1,471,683	983,828	1,533,123
Non-Financial Instruments:				
Deposits and advances	143,467	258,638	130,345	241,473
Withholding tax receivables	154,713	159,433	154,138	156,323
Other receivables	447,984	366,750	422,022	366,670
Total Trade and Other Receivables	**1,591,028**	**2,256,504**	**1,690,333**	**2,297,589**

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

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

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

26.1 Exposure to Credit Risk

Trade receivables inherently expose the Group to credit risk, being the risk that the Group will incur financial loss if customers fail to make payments as they fall due.

A loss allowance is recognised for all trade receivables, in accordance with IFRS 9 Financial Instruments, and is monitored at the end of each reporting period. In addition to the loss allowance, trade receivables are written off when there is no reasonable expectation of recovery, for example, when a debtor has been placed under liquidation. Trade receivables which have been written off are not subject to enforcement activities.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for Groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

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

Group	2020 Estimated gross carrying amount at default	2020 Loss allowance (Lifetime expected credit loss)	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)
Expected Credit Loss Rate:				
Not past due: 6.62% (2019: 3.4%)	234,222	15,877	264,268	8,977
0 - 30 days past due: 7.21% (2019: 4.90%)	212,908	14,540	346,507	16,985
30 - 60 days past due: 6.17% (2019: 10.51%)	95,184	5,883	386,025	40,588
61 - 90 days past due: 5.83% (2019: 9.38%)	134,581	7,855	177,837	16,679
Over 90 days past due: 2.51% (2019: 10.16%)	241,560	29,447	422,062	43,711
Total	**918,455**	**73,602**	**1,596,699**	**126,940**

Company	2020 Estimated gross carrying amount at default	2020 Loss allowance (Lifetime expected credit loss)	2019 Estimated gross carrying amount at default	2019 Loss allowance (Lifetime expected credit loss)
Expected Credit Loss Rate:				
Not past due: 6.62% (2019: 3.40%)	234,222	15,877	264,268	8,977
Less than 30 days past due: 7.21% (2019: 4.88%)	195,590	14,105	337,653	16,468
31 - 60 days past due: 6.17% (2019: 10.80%)	88,124	5,439	375,823	40,588
61 - 90 days past due: 5.83% (2019: 9.61%)	132,372	7,718	164,157	15,781
More than 90 days past due: 2.51% (2019: 10.16%)	195,961	5,506	345,086	22,563
Total	**846,269**	**48,645**	**1,486,987**	**104,377**

Reconciliation of Loss Allowances

The following table shows the movement in the loss allowance (lifetime expected credit losses) for trade and related parties receivables:

Opening balance	126,940	77,925	104,377	49,889
Provision for expected credit losses	-	55,138	-	54,488
Provisions reversed	(53,199)	-	(55,732)	-
Write-off	(139)	(6,123)	-	-
Closing Balance	**73,602**	**126,940**	**48,645**	**104,377**

26.2 Expected Credit Loss Measurement - Other Financial Assets

The Group applied the general approach in computing expected credit losses (ECL) for intercompany receivables. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

The ECL is determined by projecting the probability of default (PD), loss given default (LGD) and exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2.15 Summary of significant accounting policies and in Note 3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 2020 and 2019.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Group and Company - 31 December 2020 Key drivers	ECL Scenario	Assigned probabilities	2021	2022	2023
Crude Oil Price (USD)					
	Upturn	50 %	57.07	57.07	57.07
	Base	50 %	54.96	54.96	54.96
	Downturn	- %	52.64	52.64	52.64
Unemployment Rate %					
	Upturn	10 %	0.26	0.26	0.26
	Base	80 %	0.34	0.34	0.34
	Downturn	10 %	0.36	0.36	0.36
Inflation Rate %					
	Upturn	- %	0.11	0.11	0.11
	Base	83 %	0.12	0.12	0.12
	Downturn	17 %	0.12	0.12	0.12

Group and Company - 31 December 2019 Key drivers	ECL Scenario	Assigned probabilities	2020	2021	2022
Crude Oil Price (USD)					
	Upturn	10 %	55.61	57.07	57.07
	Base	80 %	53.50	54.96	54.96
	Downturn	10 %	51.18	52.64	52.64
Unemployment Rate %					
	Upturn	10 %	0.26	0.26	0.26
	Base	80 %	0.34	0.34	0.34
	Downturn	10 %	0.36	0.36	0.36
Inflation Rate %					
	Upturn	10 %	0.11	0.11	0.11
	Base	80 %	0.12	0.12	0.12
	Downturn	10 %	0.12	0.12	0.12

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Impact of Multiple Scenarios on the Intercompany Receivables Allowance				
Upturn	40	8	-	310
Base	39	63	-	2,608
Downturn	-	8	-	336
	79	**79**	**-**	**3,254**
Reconciliation of ECL Allowances on Intercompany Receivables				
Opening balance	79	2,914	3,254	5,102
Charged for the year	-	53	-	(1,848)
Write-off	-	(2,888)	(3,254)	-
Closing Balance	**79**	**79**	**-**	**3,254**

27. Prepayments

Insurance and permits	103,957	326,094	103,957	321,576
Maintenance contracts	395,758	53,128	379,908	45,404
Other prepaid expenses	500,395	365,864	500,395	365,865
	1,000,110	**745,086**	**984,260**	**732,845**

28. Cash and Cash Equivalents

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Cash and cash equivalents consist of:				
Cash on hand	12,070	14,454	11,446	14,480
Bank balances	1,805,965	1,242,410	1,764,470	1,177,999
Short-term deposits	222	1,182,477	222	1,182,477
	1,818,257	**2,439,341**	**1,776,138**	**2,374,956**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposit.

29. Share capital

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Authorised				
15,000,000,000 (2019: 15,000,000,000) Ordinary shares of 50 kobo each	7,500,000	7,500,000	7,500,000	7,500,000
Issued				
10,242,528,411 (2019: 7,600,403,900) Ordinary shares of 50 kobo each	5,121,264	3,800,202	5,121,264	3,800,202
Share premium	12,548,859	4,034,411	12,548,859	4,034,411
	17,670,123	**7,834,613**	**17,670,123**	**7,834,613**

At the Board meeting held on 30 June 2020, the Board of Transcorp Hotels Plc decided to proceed with the Rights Issue of 2,659,574,468 Ordinary shares of 50K each at N3.76k per share. On September 30, 2020, documents pertaining to the Rights Issue and the offer date were approved by the Securities and Exchange Commission (SEC). The Rights Issue opened on October 5, 2020 and closed on 11 November 2020. The Rights Issue was on the basis of Seven (7) new ordinary shares for every Twenty (20) existing ordinary shares held.

At the conclusion of the offer, the Rights Issue was 99.3% subscribed. The Board of directors passed the resolution to approve the allotment of the shares on 1st December 2020. The Company received the net offer proceeds of N9,835,511,022.34 after deducting the cost of the issue which amounted to N114,797,943.03.

30. Borrowings

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Held at Amortised Cost				
2 billion bank loan	2,056,219	1,995,340	2,056,219	1,995,340
N5 billion loan	193,817	4,711,541	193,817	4,711,541
Short term loan	62,835	3,547,568	62,835	3,547,568
$5 million loan	2,181,126	1,849,600	2,181,126	1,849,600
$2 million loan	966,497	751,969	966,497	751,969
$1 million term loan	459,950	366,066	459,950	366,066
N300 million loan	302,979	-	302,979	-
N1 billion loan	1,133,065	1,009,634	1,133,065	1,009,634
N10 billion 7-year bond	4,485,756	6,205,202	4,485,756	6,205,202
N9.758 billion 5-year bond	-	3,024,719	-	3,024,719
N200 million loan	205,335	-	205,335	-
N10 billion loan	8,925,255	8,868,193	8,925,255	8,868,193
	20,972,834	**32,329,832**	**20,972,834**	**32,329,832**
Split Between Non-Current and Current Portions				
Non-current liabilities	13,152,338	21,459,536	13,152,338	21,459,536
Current liabilities	7,820,496	10,870,296	7,820,496	10,870,296
	20,972,834	**32,329,832**	**20,972,834**	**32,329,832**

N2 billion loan has a tenor of 10 years and 12 months moratorium on interest and 24 months moratorium on principal. The interest on loan is 11%. The loan was secured on a negative pledge on the assets.

N5 billion loan had a tenor of 4 years and 12 months moratorium with an interest rate of 12%. This has been partly liquidated and the outstanding balance is interest free.

The short-term loan represents a 90 day tenor with an average interest rate of 12%. This has been partly liquidated and the outstanding balance is interest free.

$5 million interest free loan from Hilton Worldwide Manage Limited with a tenor of 8 years including 2 year moratorium and repayable in equal monthly instalments.

$2 million short term loan with rolling 180 days tenor and interest rate of 13.5%.

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

N300 million term loan with 365 days tenor and interest rate of 12.5%.

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

N10 billion 7-year bond has a fixed rate of 16%. The purpose of the bond is for the upgrade and refurbishment of Transcorp Hilton Abuja.

N9.758 billion 5-year bond had a fixed rate of 15.5%. The purpose of the bond is for the upgrade and refurbishment of Transcorp Hilton Abuja. This bond has been fully redeemed in December 2020.

N10 billion term loan with a tenor of 7 years and 24 months moratorium and at interest rate of 10% is secured by an arrangement by Transnational Corporation of Nigeria (the parent company). During the year, in response to the impact of the pandemic, Bank of Industry granted concessions of interest rate reduction from 10% to 8% (for 12 months starting 1 April 2020) and one year additional moratorium on principal repayment.

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Bond liability				
Opening balance	9,229,921	13,259,045	9,229,921	13,259,045
Interest expense	1,282,878	1,986,276	1,282,878	1,986,276
Principal repayment	(4,749,408)	(4,076,958)	(4,749,408)	(4,076,958)
Interest repayment	(1,277,635)	(1,938,442)	(1,277,635)	(1,938,442)
Closing balance	**4,485,756**	**9,229,921**	**4,485,756**	**9,229,921**
Loan liability				
Opening balance	21,104,571	16,456,722	21,104,571	16,456,722
Additions	3,298,074	15,157,170	3,298,074	15,157,170
Interest expense	2,925,505	3,304,844	2,925,505	3,304,844
Principal repayment	(8,837,102)	(10,000,000)	(8,837,102)	(10,000,000)
Interest repayment	(2,413,617)	(3,799,812)	(2,413,617)	(3,799,812)
Exchange difference	409,647	(14,353)	409,647	(14,353)
Closing balance	**16,487,078**	**21,104,571**	**16,487,078**	**21,104,571**
Movement in borrowings				
Opening balance	30,334,492	29,715,767	30,334,492	29,715,767
Additions	3,298,074	15,157,170	3,298,074	15,157,170
Interest expense	4,208,383	5,291,120	4,208,383	5,291,120
Principal repayment	(13,586,510)	(14,076,958)	(13,586,510)	(14,076,958)
Interest repayment	(3,691,252)	(5,738,254)	(3,691,252)	(5,738,254)
Exchange difference	409,647	(14,353)	409,647	(14,353)
	20,972,834	30,334,492	20,972,834	30,334,492
Overdraft	-	1,995,340	-	1,995,340
Closing balance	**20,972,834**	**32,329,832**	**20,972,834**	**32,329,832**

31. Deposit for Shares

Deposit for shares	2,410,000	2,410,000	-	-

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

32. Deferred Income

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Opening balance	1,281,976	-	1,281,976	-
Received/adjustment during the year	277,047	1,452,830	277,047	1,452,830
Released to the statement of profit or loss	(253,488)	(170,854)	(253,488)	(170,854)
	1,305,535	**1,281,976**	**1,305,535**	**1,281,976**
Non-current liabilities	1,052,739	1,073,534	1,052,739	1,073,534
Current liabilities	252,796	208,442	252,796	208,442
	1,305,535	**1,281,976**	**1,305,535**	**1,281,976**

The Company obtained a loan from Bank of Industry (BOI) in 2019 to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new multi-purpose banqueting conference centre. The interest rate on the loan was below the market loan rate. The fair value and the deferred income on the loan was recognized initially on the loan drawn-down date. The deferred income was subsequently amortized on a straight line basis over the tenor of the loan. There were no unfulfilled conditions relating to the loan as at the reporting date.

33. Contract Liabilities

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Summary of contract liabilities				
Advances for hospitality services	18,128	32,327	18,128	32,327
Key money from Hilton	2,598,025	2,755,995	2,598,025	2,755,995
	2,616,153	**2,788,322**	**2,616,153**	**2,788,322**

Short-Term Advances for Hospitality Services

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

Key Money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed $10million towards the refurbishment of the hotel. The contribution does not attract any interest and it is not repayable by the Company unless the contract is terminated before the end of the management agreement. The outstanding balance relates to the unamortised portion of the key money as at 31 December 2020.

The key money is notionally amortised on a straight-line basis. Amortised portions are recognised as income during the period while the unamortised portion is carried as a liability.

Reconciliation of contract liabilities				
Short-term advances for hospitality services				
At 1 January	32,327	34,644	32,327	34,644
Received during the year	18,128	32,347	18,128	32,347
Recognised as revenue during the year	(32,327)	(34,664)	(32,327)	(34,664)
	18,128	**32,327**	**18,128**	**32,327**
Key money from Hilton				
At 1 January	2,755,995	2,903,675	2,755,995	2,903,675
Recognised as revenue during the year	(157,970)	(147,680)	(157,970)	(147,680)
	2,598,025	**2,755,995**	**2,598,025**	**2,755,995**
Split between non-current and current portions				
Non-current liabilities	2,445,163	2,603,170	2,445,163	2,603,170
Current liabilities	170,990	185,152	170,990	185,152
	2,616,153	**2,788,322**	**2,616,153**	**2,788,322**

34. Trade and Other Payables

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Financial Instruments:				
Trade payables	1,147,636	1,368,810	1,106,786	1,320,229
Trade payables - related parties	14,608,570	6,259,628	14,596,286	6,239,318
Unclaimed dividend	125,576	4,216	125,576	4,216
Accrued liabilities	3,276,055	2,039,922	3,125,453	1,921,851
	19,157,837	**9,672,576**	**18,954,101**	**9,485,614**
Non-Financial Instruments:				
Amounts received in advance	152,033	128,780	152,033	128,780
WHT payable	268,217	565,175	235,595	532,373
VAT	165,636	107,055	108,288	62,263
	585,886	**801,010**	**495,916**	**723,416**
	19,743,723	**10,473,586**	**19,450,017**	**10,209,030**

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

Other payables are non-interest bearing and have an average term of six months.

For terms and conditions with related parties, refer to Note 36.

Exposure to Liquidity Risk

Refer to note 6 Financial instruments and financial risk management for details of liquidity risk exposure and management.

35. Dividend Payable

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
At 1 January	87,944	187,403	87,944	187,403
Final dividend declared during the year	-	532,028	-	532,028
Payment during the year	(87,944)	(631,487)	(87,944)	(631,487)
At 31 December	**-**	**87,944**	**-**	**87,944**

36. Related Parties

Relationships	Entities
Holding company	Transnational Corporation of Nigeria Plc
Subsidiaries	Refer to note 8
Fellow subsidiaries	Transcorp Power Limited
	Transcorp OPL 281 Limited

Related party balances

	Group		Company	
	2020 N '000	2019 N '000	2020 N '000	2019 N '000
Amount due from related parties	-	-		
Transcorp Hotels Calabar Limited			189,459	153,767
Transcorp OPL 281 Limited	90	2,003	-	-
	90	**2,003**	**189,459**	**153,767**
Amounts due to related parties				
Transnational Corporation of Nigeria Plc	8,019,780	4,120,920	8,007,598	4,100,509
Transcorp Power Limited	6,588,790	2,138,707	6,588,688	2,138,809
	14,608,570	**6,259,627**	**14,596,286**	**6,239,318**
Related party transactions				
Sales to related parties				
Transnational Corporation of Nigeria Plc	5,919	18,207	5,919	18,207
Transcorp Power Limited	17,306	17,303	17,306	17,303
Transcorp Hotels Calabar Limited	-	-	-	647
	23,225	**35,510**	**23,225**	**36,157**

Terms and Conditions of Transactions with Related Parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2020, the Company did not recognise any additional provision for expected credit losses during the year (2019: N3.25 million).

37. Directors' Emoluments

Compensation of key management personnel				
Fees and allowances	123,592	131,334	123,592	131,334
Defined contributions	4,216	5,137	4,216	5,137
Executive compensation	96,832	96,482	96,832	91,782
	224,640	**232,953**	**224,640**	**228,253**
Fees and other emoluments disclosed above include amounts paid to:				
Chairman	13,200	14,100	13,200	14,100
Highest paid director	57,209	76,672	57,209	76,672
Number of directors who received fees and other emoluments (excluding pension contributions) in the following ranges was:				
Below N10,000,000	8	8	8	8
Above N10,000,000	2	2	2	2
	10	**10**	**10**	**10**

Key management includes Directors (Executive and Non-Executive). The compensation paid or payable to key management for services is shown above.

38. Commitments

Authorised Capital Expenditure

The Directors have disclosed that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into consideration in the preparation of these financial statements. The Group has no commitment as at 31 December 2020 (2019: Nil).

39. Contingencies

The Group is involved in some legal action in the ordinary course of the business. The Group has been advised by its legal counsel that there is no likelihood of unfavourable outcome, and no loss or cost is anticipated.

40. Impact of Coronavirus (Covid-19) Pandemic

Nigeria witnessed increase in confirmed cases which led to closure of airports and flights and an official lockdown of the FCT issued by the Federal Government to ensure the effective combat of the virus. All these negatively impacted the hotel and its business activities throughout the year. We closed the year 2020 with revenue of N10.2 billion and N9.6 billion for Group and Company respectively as against N20.4 billion and 19.5 billion recorded from Group and Company in 2019 which is about 50% revenue decline.

While still on lockdown, when the Nigerian economy was gradually reopening in phases, we proactively identified and launched dynamic strategies, including:
- the introduction our Hilton CleanStay Programme, aimed to deliver safe and socially responsible event solutions.
- prioritizing and Intensifying stakeholder engagement.
- launching of new business lines.
- cost containment/reductions and workforce optimizations.

These proactive strategies led to our being able to weather the storm and embark on a steady recovery path. With the ease of lockdown and resumption of domestic flights from 8th July, we have seen significant pick-up in occupancy and improvement in our business segments, with some of our outlets opened and fully operational.

The Company's management also continues to implement several precautionary measures to ensure the safety and security of all its guests and team members against COVID-19 virus. We will continue to explore opportunities the pandemic presents in order to maximize our operational performance.

41. Events after the Reporting Period

There were no known events after the reporting date which could have a relevant impact on the consolidated and separate financial statements of the Group that had not been adequately provided for or disclosed in the consolidated and separate financial statements.

Other Disclosures

Value Added Statement

	2020 N '000	2020 %	2019 N '000	2019 %
Group				
Value Added				
Value added by operating activities				
Revenue	10,152,244		20,404,533	
Bought - in materials and services	(8,632,667)		(10,099,863)	
Other operating income	170,971		460,478	
	1,690,548	**100**	**10,765,148**	**99**
Value added by investing activities				
Investment income	6,213		104,699	
	6,213	**-**	**104,699**	**1**
Total Value Added	**1,696,761**	**100**	**10,869,847**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	2,783,893		3,498,899	
	2,783,893	**164**	**3,498,899**	**32**
To Pay Providers of Capital				
Finance costs	5,306,339		4,302,948	
	5,306,339	**313**	**4,302,948**	**40**
To Pay Government				
Income tax	26,405		393,752	
	26,405	**2**	**393,752**	**3**
To be retained in the business for expansion and future wealth creation:				
Value Reinvested				
Depreciation, amortisation and impairments	2,546,816		1,943,767	
Deferred tax	(2,691,174)		116,745	
	(144,358)	**(9)**	**2,060,512**	**19**
Value Retained				
Retained profit	(6,276,573)		615,568	
Non-controlling interest	1,055		(1,832)	
	(6,275,518)	**(370)**	**613,736**	**6**
Total Value Distributed	**1,696,761**	**100**	**10,869,847**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and employees efforts.

	2020 N '000	2020 %	2019 N '000	2019 %
Company				
Value Added				
Value Added by Operating Activities				
Revenue	9,647,364		19,499,897	
Bought - in materials and services	(8,238,821)		(9,563,583)	
Other operating income	160,534		497,433	
	1,569,077	**100**	**10,433,747**	**99**
Value Added by Investing Activities				
Investment income	5,949		104,367	
	5,949	**-**	**104,367**	**1**
Total Value Added	**1,575,026**	**100**	**10,538,114**	**100**
Value Distributed				
To Pay Employees				
Salaries, wages, medical and other benefits	2,581,953		3,274,755	
	2,581,953	**164**	**3,274,755**	**31**
To Pay Providers of Capital				
Finance costs	5,306,339		4,302,948	
	5,306,339	**337**	**4,302,948**	**40**
To Pay Government				
Income tax	25,142		374,474	
	25,142	**2**	**374,474**	**4**
To be retained in the business for expansion and future wealth creation:				
Value Reinvested				
Depreciation, amortisation and impairments	2,430,217		1,826,485	
Deferred tax	(2,637,166)		125,769	
	(206,949)	**(13)**	**1,952,254**	**19**
Value Retained				
Retained profit	(6,131,459)		633,683	
	(6,131,459)	**(390)**	**633,683**	**6**
Total Value Distributed	**1,575,026**	**100**	**10,538,114**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and employees' efforts.

Five Year Financial Summary

	2020 N '000	2019 N '000	2018 N '000	2017 N '000	2016 N '000
Group					
Assets					
Non-current assets	107,929,396	108,776,561	105,444,729	92,047,452	79,224,316
Current assets	4,993,936	5,969,706	5,832,856	8,485,087	11,618,676
Total Assets	**112,923,332**	**114,746,267**	**111,277,585**	**100,532,539**	**90,842,992**
Equity					
Issued capital	5,121,264	3,800,202	3,800,202	3,800,202	3,800,202
Share premium	12,548,859	4,034,411	4,034,411	4,034,411	4,034,411
Retained earnings	43,433,861	49,710,434	49,626,894	47,099,673	45,364,940
Equity Attributable to Equity Holders of the Parent	**61,103,984**	**57,545,047**	**57,461,507**	**54,934,286**	**53,199,553**
Non-controlling interests	**(1,075)**	**(2,130)**	**(298)**	**840**	**840**
Total Equity	**61,102,909**	**57,542,917**	**57,461,209**	**54,935,126**	**53,200,393**
Liabilities					
Non-current liabilities	28,294,117	34,649,473	33,931,045	30,646,683	13,501,953
Current liabilities	23,526,306	22,553,877	19,885,332	14,950,730	24,140,646
Total liabilities	51,820,423	57,203,350	53,816,377	45,597,413	37,642,599
Total Equity and Liabilities	**112,923,332**	**114,746,267**	**111,277,586**	**100,532,539**	**90,842,992**

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

	2020	2019	2018	2017	2016
Revenue	10,152,245	20,404,533	17,424,966	13,843,470	15,311,879
Profit before taxation	(8,940,287)	1,124,233	5,041,581	3,680,155	5,234,986
Taxation	2,664,769	(510,497)	(1,327,885)	(998,422)	(1,139,582)
Profit after taxation	(6,275,518)	613,736	3,713,696	2,681,733	4,095,404

	2020 N '000	2019 N '000	2018 N '000	2017 N '000	2016 N '000
Company					
Assets					
Non-current assets	105,560,501	106,361,373	103,063,443	89,490,274	76,582,444
Current assets	4,995,548	5,884,679	5,722,247	8,412,232	11,706,906
Total Assets	**110,556,049**	**112,246,052**	**108,785,690**	**97,902,506**	**88,289,350**
Equity					
Issued capital	5,121,264	3,800,202	3,800,202	3,800,202	3,800,202
Share premium	12,548,859	4,034,411	4,034,411	4,034,411	4,034,411
Retained earnings	43,773,111	49,904,570	49,802,915	47,111,055	45,418,058
Total Equity	**61,443,234**	**57,739,183**	**57,637,528**	**54,945,668**	**53,252,671**
Liabilities					
Non-current liabilities	21,116,306	32,239,473	31,521,045	28,236,684	13,306,033
Current liabilities	27,996,509	22,267,396	19,627,117	14,720,154	21,730,646
Total liabilities	49,112,815	54,506,869	51,148,162	42,956,838	35,036,679
Total Equity and Liabilities	**110,556,049**	**112,246,052**	**108,785,690**	**97,902,506**	**88,289,350**
Statement of Profit or Loss					
Revenue	9,647,364	19,499,897	16,475,720	12,962,580	14,559,553
Profit before taxation	(8,743,483)	1,133,926	5,187,367	3,608,645	5,201,787
Taxation	2,612,024	(500,243)	(1,311,067)	(968,648)	(1,468,194)
Profit after taxation	(6,131,459)	633,683	3,876,300	2,639,997	3,733,593


70%
50%
35%
90%

Shareholders' Information

transcorp Hotels
RC 248514

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 7th Annual General Meeting ("AGM") of Transcorp Hotels Plc ("the Company"), is scheduled to hold on Monday, April 26, 2021, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 2.00 p.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, 2020, together with the Reports of the Directors, Auditors and Audit Committee thereon;
2. To reelect Mr. Alex Okoh, a Director retiring by Rotation.
3. To authorise the Directors to fix the remuneration of the Auditors for the 2021 financial year;
4. To disclose the remuneration of managers of the company
5. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

6. To consider and if thought fit, pass the following as an ordinary resolution:

"That the remuneration of the Non-executive Directors be and is hereby fixed at the sum of N62,000,000 (Sixty Two Million) for the year ending December 31, 2021. Such payment to be effective from January 1, 2021".

Dated this 2nd day of April, 2021

BY ORDER OF THE BOARD

Mr. Chike Anikwe
Ag. Group Company Secretary
FRC/2017/NBA/00000016059

NOTES

1. COMPLIANCE WITH COVID-19 RELATED DIRECTIVES AND GUIDELINES
The Federal Government of Nigeria, State Governments, Health Authorities and Regulatory Agencies have issued a number of guidelines and directives aimed at curbing the spread of COVID-19 in Nigeria. Particularly, the Federal Government prohibited the gathering of more than 50 people, while the Corporate Affairs Commission (CAC) issued Guidelines on Holding AGM of Public Companies by Proxy. The convening and conduct of the AGM shall be done in compliance with these directives and guidelines.

2. PROXY
Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited either at the office of the Company'sRegistrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@africaprudential.com not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from the Company's website at www.transcorphotels.com.

3. ATTENDANCE BY PROXY
In line with CAC Guidelines, attendance at the AGM shall be by proxy only. Shareholders are required to appoint a proxy of their choice from the list of nominated proxies below:

1. Mr. Emmanuel N. Nnorom
2. Mrs. Modupe Olusola
3. Mr. Chike Anikwe
4. Mr. Akaniyene Obot
5. Mr. Eric Akinduro
6. Mr. Gafar Erinfolami
7. Mr. Ridhwan Hamza

4. STAMPING OF PROXY
The Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars within the stipulated time.

5. LIVE STREAMING OF AGM
The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at www.transcorphotels.com

6. NOMINATION TO THE AUDIT COMMITTEE
In accordance with Section 359(5) of the Companies and Allied Matters Act, 2020, any member may nominate a shareholder for election as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. Such notice of nominations should be sent via email to info@transcorphotelsplc.com for the attention of the Company Secretary. The Financial Reporting Council's Nigeria Code of Corporate Governa nce provides thatmembers of the Audit Committee should have basic financial literacy and should be able to read financial statements.

7. E-DIVIDEND REGISTRATION
Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

8. UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES
Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the custody of the Registrars. Any shareholder affected by this notice is advised to contact the Company's Registrars, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at cfc@africaprudential.com to lay claim.

9. PROFILES OF DIRECTORS FOR RE-ELECTION
The profile of Mr. Alex Okoh retiring by rotation and who will be standing for re-election is amongst the profiles of Directors provided in the 2020 Annual Report and the Company's website at www.transcorphotels.com.

10. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE
In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2020 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. In addition, an electronic version of the 2020 Annual Report is available on the Company's website at www.transcorphotels.com.

11. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS
Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company via email to info@ transcorphotelsplc.com on or before Thursday, April 22, 2021.

transcorp Hotels
RC 248514

PROXY FORM

SEVENTH ANNUAL GENERAL MEETING OF TRANSCORP HOTELS PLC TO BE HELD ON MONDAY, APRIL 26TH, 2021 AT TRANSCORP HILTON ABUJA, 1 AGUIYI IRONSI STREET, MAITAMA, ABUJA, F.C.T AT 2.00 PM

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 Seventh Annual General Meeting of the Company to be held on Monday, April 26th, 2021 at Transcorp Hilton Abuja, 1 Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 2.00 pm 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, or via email at cxc@africaprudential.com not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the Proxy Form must be under its common seal or under the hand of a duly 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. However, in compliance with the CAC Guidelines for conduct of AGM by Proxy, the Company has made arrangement at its cost, for the stamping of the duly completed and signed proxy forms submitted to the Company's Registrars.

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

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To receive the Audited Financial Statements of the Company for the year ended December 31, 2020, together with the Report of the Directors, Auditors and Audit Committee thereon.			
2. To re-elect Alex Okoh, a Director retiring by rotation.			
3. To authorize the Directors to fix the remuneration of the Auditors for the 2021 financial year.			
4. To disclose the remuneration of managers of the Company			
5. To elect members of the Audit Committee			
6. To consider and if thought fit, pass the following as an ordinary resolution: "That the remuneration of the Non-executive Directors be and is hereby fixed at the sum of N62,000,000 (Sixty Two Million) for the year ending December 31, 2021. Such payment to be effective from January 1, 2021".			

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

- -

TRANSCORP HOTELS PLC
Seventh 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 **Monday, April 26, 2021, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 2.00 pm**

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

____
Name of Shareholder

____
Address of Shareholder

____
Number of Shares Held

____
Signature

Africa Prudential
RC 649007

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.: **1.** **2.**

7. SEX: MALE FEMALE

8. *DATE OF BIRTH D D M M Y Y Y Y

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.: C

11. NAME OF STOCKBROKER:

DECLARATION

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

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

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

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

CLIENTELE

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

OTHERS:

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

Africa Prudential
RC 649007

Affix Recent Passport Photograph

USE GUM ONLY
NO STAPLE PINS

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

E-DIVIDEND MANDATE ACTIVATION FORM

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

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

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

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male Female Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

DECLARATION

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

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

Signature:

Signature:
Joint/Company's Signatories

Company Seal *(if applicable)*

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

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
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TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@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
21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

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

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

Signature:

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Africa Prudential

FULL DEMATERIALIZATION FORM FOR MIGRATION

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

Affix recent passport photograph

USE GUM ONLY NO STAPLE PINS

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

SECTION A:

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

ADDRESS: ____

GSM NUMBER: ____ **E-MAIL:** ____

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

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

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ____ **BANK:** ____

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

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

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

Shareholder's Signature & Date

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

Thumb Print

CERTIFICATE DETAILS

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

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

Company Seal

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

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

CERTIFICATE DETAILS

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

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

Dated this ____ day of ____, 20 ____

Name: ____

Signature: ____

Joint (2) (if applicable): ____

Joint (3) (if applicable): ____

Company Seal

In the Presence of:

Name: ____ **GSM NO:** ____

Address: ____ **Signature:** ____

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

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

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

Company Seal