



Sustaining GROWTH



2022
**ANNUAL
REPORT**



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COMPANY OVERVIEW



About Transcorp Hotels

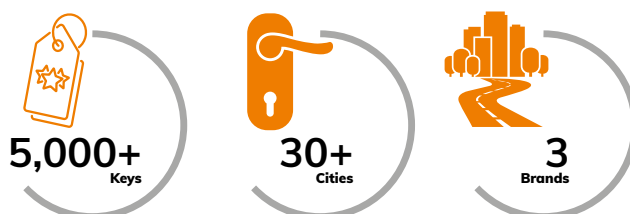
Transcorp Hotels Plc. is one of Africa's leading hospitality companies, committed to redefining hospitality on the continent. Transcorp Hotels is the hospitality subsidiary of Transnational Corporation Plc (Transcorp), a diversified conglomerate with interests in the Power, Hospitality, and Oil & Gas sectors. The Company's hotels include the multiple award-winning Transcorp Hilton Abuja and Transcorp Hotels Calabar. It also owns Aura by Transcorp Hotels, an online platform for booking accommodation, food and memorable lifestyle experiences.

An Industry Leader

The number one hospitality brand in Nigeria, Transcorp Hotels Plc. aims to build choice hospitality assets across Africa, establishing a strong footprint in the most populous cities across West Africa. With award-winning hotels in Abuja and Calabar, as well as planned properties in both Lagos and Port Harcourt,

Transcorp Hotels is home to luxurious hospitality and lifestyle experiences, and continues to achieve excellence within the hospitality industry, with clear strategies that positions the Company as a key industry player on the continent.

In 2021, Transcorp Hotels Plc. launched Aura by Transcorp Hotels, an online platform for booking unique accommodation (homes or hotels) and memorable lifestyle experiences. With multiple local and international awards won every year, Transcorp Hotels Plc. continues to set the pace in hospitality excellence in Nigeria and Africa at large.



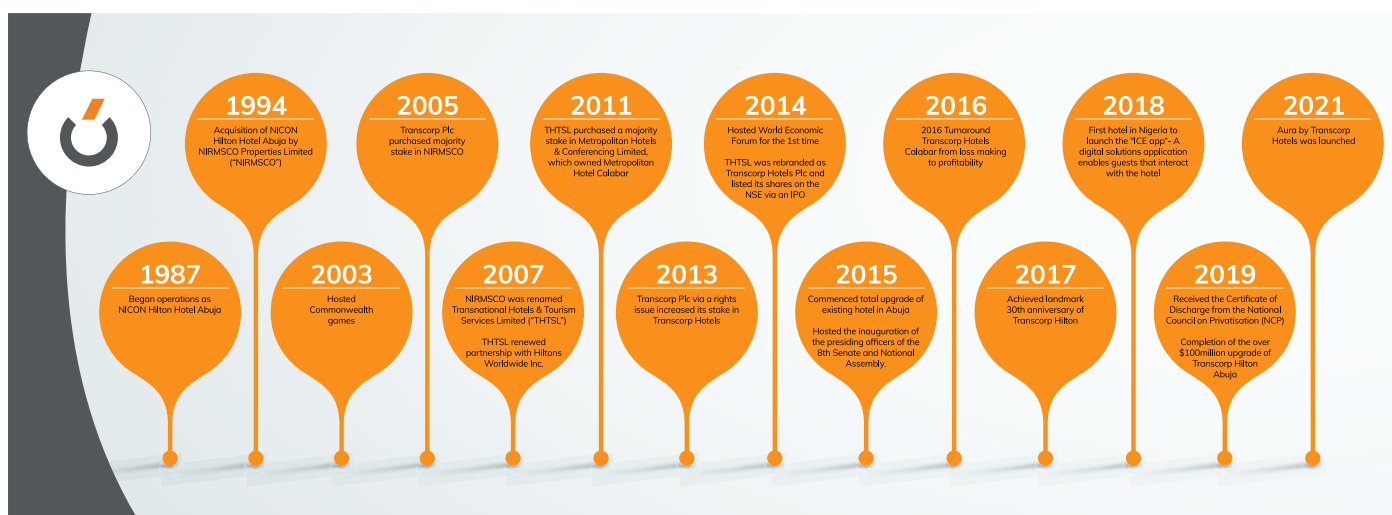
Our Philosophy

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

Africapitalism is a call to action for businesses to promote 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.



History and Events



Mission

To redefine hospitality in Africa through innovation and exceptional service, creating value for our customers and other stakeholders.

Vision

To be Africa's leading hospitality brand.



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: We set ourselves apart with our entrepreneurial and innovative mindset, willing to always go the 'extra mile' to exceed our customers' expectations.



Execution: We are committed to seeing things through to completion in a timely, effective and efficient manner, in order to deliver exceptional results.



Excellence: We are driven by the desire to consistently deliver memorable experiences to our customers.



Our Brands

With hospitality experience spanning over 3 decades, Transcorp Hotels brands are individually distinctive and collectively powerful. Our growing portfolio of award-winning and innovative brands is paving the way for a superior guest experience across all our touchpoints.

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 and a ground floor with shops, a standard size swimming pool with a children pool close to it, food and beverage outlets namely:

- Fulani pool bar and grill
- Pastry corner
- Piano lounge
- Lobby bar
- Executive lounge on the 10th floor
- Bukka restaurant for African & Intercontinental buffet
- Zuma grill for Fine dining

The hotel also has a one-storey Congress Hall attached to it by a covered walkway. The Congress Hall was designed to seat 1,200 people in theatre style.

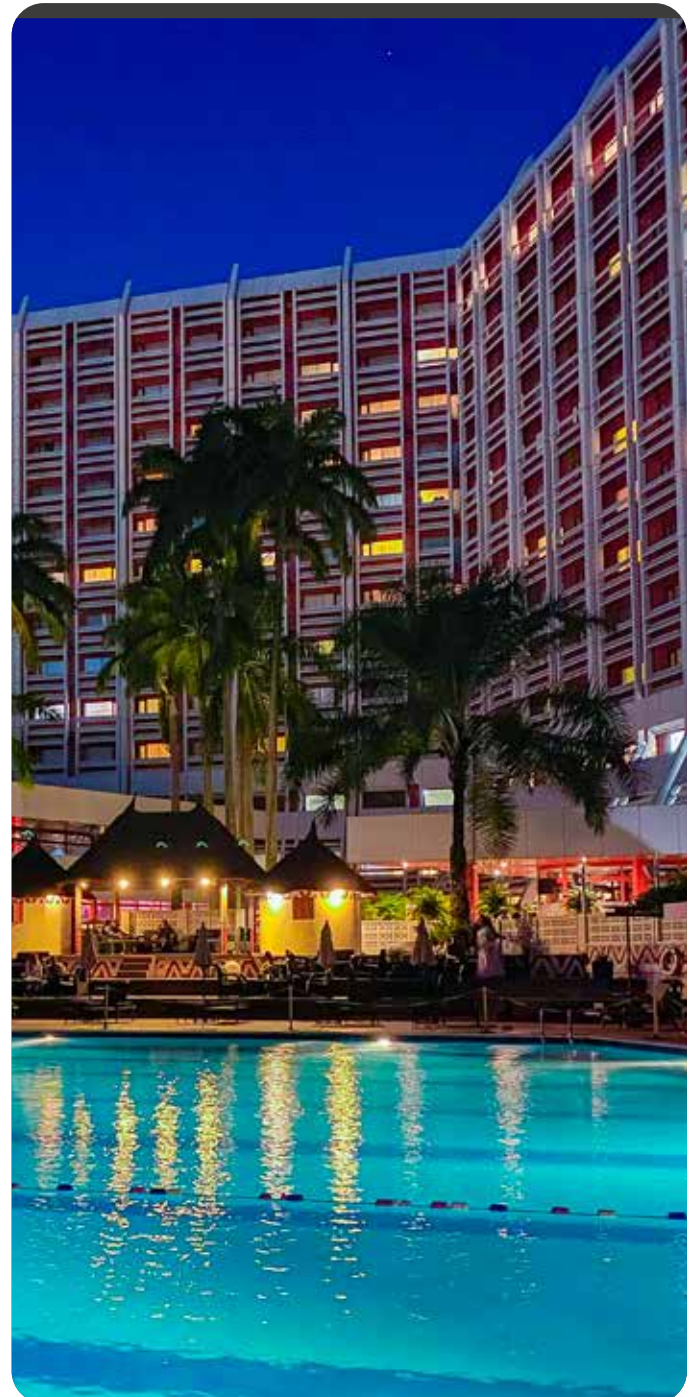
The hotel runs efficiently, operating like a small city with its waterworks, security, fire detection and fire-fighting systems, engineering and automobile workshop, plant nursery, medical clinic as well as powerful systems to manage waste disposal, transportation and power generation. The 670+ rooms include the 104-executive floor rooms and suites. The hotel room facilities include:

- private bath
- individually controlled air-conditioning
- mini bar
- direct telephones with voice mail
- radio
- interactive and satellite TV
- electronic in-room safe,
- tea/coffee making facilities
- 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:

- three tennis courts,
- three air-conditioned squash courts with a glass back,
- badminton,
- basketball and volleyball courts,
- a mini-golf course, children's playground,
- fitness center equipped with modern cardio and strength training equipment,
- a hexagonal outdoor swimming pool,
- a children's wading pool, and an aerobics studio.

Other hotel services include a spa and beauty salon, shopping arcade, parking facilities, babysitting services (on request), workspace, simultaneous translation, express laundry and dry-cleaning services, international and local airline desks, 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-Saharan 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 the Hotel built over 42 years. The property is conveniently located in the heart of Cross River's capital city, Calabar, placing guests at the centre of everything, from 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 has 130 rooms and suites which are tastefully designed and carefully fitted for a comfortable business and recreational experience.

The rooms range from classic to executive suites and poolside chalets. The ambiance of our property makes Transcorp Hotels Calabar the perfect getaway for business and leisure travelers.

As industry leaders in the hospitality sector, the hotel offers an array of venues that positions it perfectly for a variety of occasions. Transcorp Hotels Calabar, prides itself in offering custom crafted conferencing, events and recreational facilities to delight customers.

Other facilities within the hotel include swimming pool, fine-dining, 24-hour room service, a fitness centre, laundry services, complimentary airport pick-up, complimentary Wi-Fi in all guest rooms.



Aura by Transcorp Hotels

Overview

Over time, the norm becomes boring, and a new experience becomes every guest's deepest desire. Aura by Transcorp hotels is the gateway to unique hospitality offerings, an online booking platform that provides access to, unique accommodation and memorable experiences across Nigeria.

Since July 2021, we have been creating memorable experiences for our guests, whether they are visiting an aura location for work or pleasure.

Aura's accommodation inventory includes hotels, short-let apartments spread across different regions in Nigeria. Aura provides a great selection of exquisite properties at the best prices, carrying out verification on all listings on the platform to ensure that guests are choosing from the right pool of options.

Using our verified accommodations as anchors, we have continued to serve guests, from around the country and we continue to deepen our coverage and offerings across key cities in Nigeria to democratize access to luxurious hospitality and bring memorable experiences to people's fingertips.

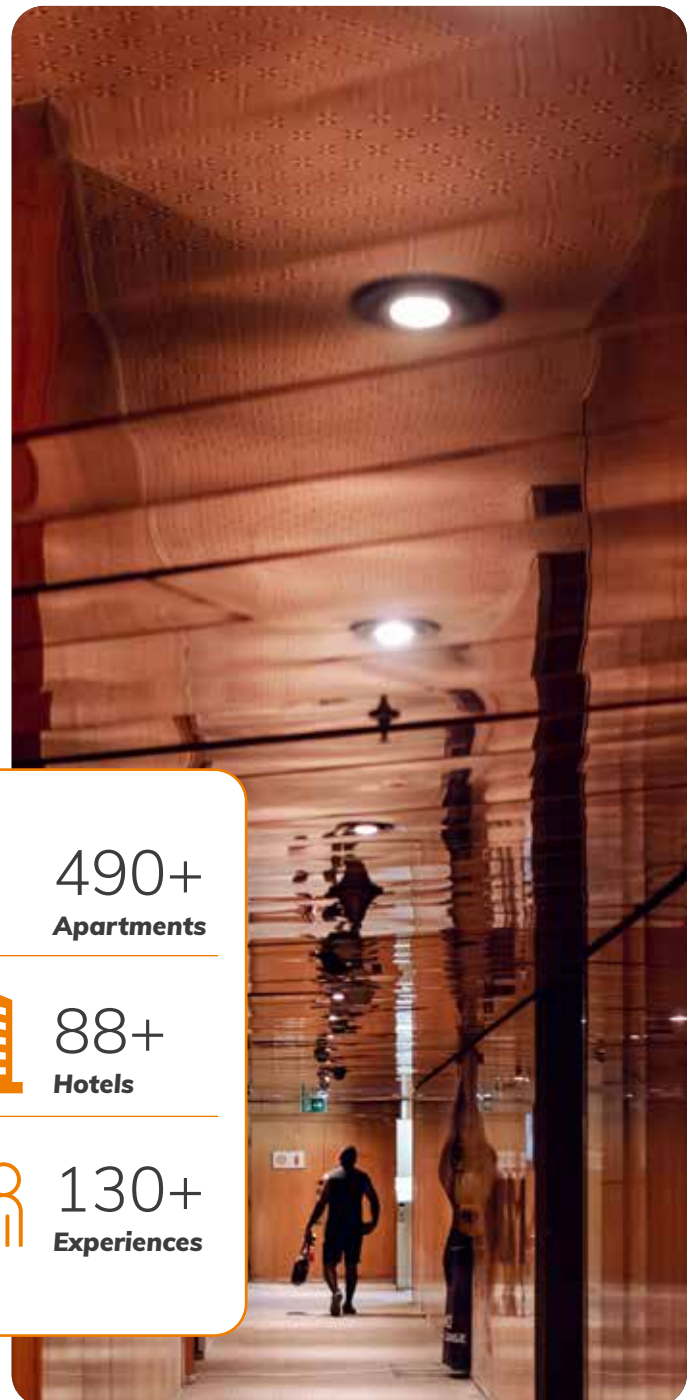
Aura by Transcorp Hotels has more than 4,000 rooms spread across 88 hotels and 490 apartments. The platform also has more than 130 experiences, including city tours, wellness experiences, beach experiences, among others.

We are building a world where everyone can feel at home everywhere. With a focus on the major things people worry about when they are away from home; where to stay and things to do, we have built a platform that addresses the needs of everyone and makes them feel comfortable anywhere. Aura by Transcorp Hotels is building a community of people connected by the purpose of living comfortably anywhere.

Hosts are the Core

Our Hosts are the core of our business; they make every stay possible and memorable. It is their strict attention to detail and commitment to excellence that makes Aura by Transcorp Hotels special. Hosts are a mixture of everyday people who share vacant homes with guests with the feeling and comfort of home.

We enable Hosts to provide guests access to unique homes and experiences. From Hosts who list individually-owned homes to others who run property management, hotels, or



490+
Apartments



88+
Hotels



130+
Experiences

other hospitality businesses and list their properties on our platform.

Guests are Us

Our guests are members of our growing community and are fast becoming one of us, sharing #TheAuraExperience with us. They are individuals who arrive at an Aura Home as well as co-travelers included on a reservation for a stay during a given period. These members of our community include young people, students, professionals, families, couples, and retirees. They come from a range of places and cultures, seeking everything from budget stays to luxury accommodations, hotels, or apartments in large cities or smaller towns.

RESULT AT A GLANCE

For the year ended 31 December	Group		
	2022 N'Million	2021 N'Million	± %
Revenue	31,442	21,418	+47
Cost of Sales	(9,052)	(5,513)	-64
Gross Profit	23,390	15,905	-41
Operating Expenses (Net)	(13,730)	(10,174)	-35
Finance cost (Net)	(4,133)	(4,068)	-2
Profit Before Tax	4,527	1,663	+172
Profit After Tax	2,618	1,117	+134
As at 31 December			
Non-Current Assets	110,405	106,246	+4
Current Assets	10,082	9,644	+5
Total Assets	120,487	115,890	+4
Share Capital	5,121	5,121	0
Shareholders Fund	62,790	62,220	+1
Number of Employees	1,224	998	+23

For the year ended 31 December	Company		
	2022 N'Million	2021 N'Million	± %
Revenue	30,433	20,559	+48
Cost of Sales	(8,702)	(5,212)	-67
Gross Profit	21,731	15,347	-42
Operating Expenses	(12,772)	(10,170)	-26
Finance cost (Net)	(4,103)	(4,068)	-1
Profit Before Tax	4,851	1,112	+336
Profit After Tax	3,080	574	+436
As at 31 December			
Non-Current Assets	107,455	103,290	+4
Current Assets	10,462	9,667	+8
Total Assets	117,917	112,957	+4
Share Capital	5,121	5,121	0
Shareholders Fund	63,049	62,018	+2
Number of Employees	1,155	929	+24
Per Share data			
Earnings per share (Kobo)	30	6	+400
Net assets per share (Kobo)	616	606	+2

BOARD OF DIRECTORS



Directors

Mr. Emmanuel Nnorom
 Mrs. Dupe Olusola
 Mrs. Owen Omogiafo
 Mrs. Helen Iwuchukwu
 Mr. Peter Elumelu
 Mr. Alex Okoh
 Mr. Alexander Adeyemi
 Mr. Udechukwu Obi Osakwe
 Ms. Bolanle Onagoruwa

Designation

Chairman
 Managing Director/CEO
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director
 Non-Executive Director (Resigned 9 January 2023)
 Non-Executive Director (Appointed 16 February 2023)
 Independent Non-Executive Director

OFFICERS AND PROFESSIONAL ADVISERS

Group Company Secretary (Ag.)

Mrs. Funmi Olofintuyi

Registered Office

1 Aguiyi Ironsi Street Maitama, Abuja
PMB 200, Maitama Abuja

Registration number

RC 248514

Auditors

Deloitte & Touché

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

Bankers

United Bank for Africa Plc.

UBA House,
57, Marina,
Lagos, Nigeria

Registrars

Africa Prudential Plc.

Africa Prudential Plc
220B Ikorodu Road
Palmgrove, Lagos
Tel. 01-4612373-76



BOARD OF DIRECTORS



Emmanuel N. Nnorom
Chairman



Dupe Olusola
Managing Director / CEO



Owen Omogiafo
Non-Executive Director



Helen Nwachukwu
Non-Executive Director



Peter Elumelu
Non-Executive Director



Alex Okoh
Non-Executive Director



Mr. Alexander Adeyemi
Non-Executive Director
(Resigned 9 January 2023)



Mr. Udechukwu Obi Osakwe
Non-Executive Director



Bolanle Onagoruwa
Independent
Non-Executive Director

PROFILE OF DIRECTORS



Emmanuel N. Nnorom

Chairman

(Appointed to the Board in January 2014)

Mr. Emmanuel Nnorom is the Chief Executive Officer of Heirs Holdings Group and sits on several boards including Transcorp Hotels Plc, where he is the Chairman.

Prior to his appointment, Emmanuel was the President/CEO of Transnational Corporation of Nigeria Plc. He has served in other management roles such as President/Chief Operating Officer (COO) of Heirs Holdings Group, CEO and COO of United Bank for Africa where he oversaw the bank's operations outside Nigeria and executed corporate strategy in 18 African countries.

Emmanuel is a Chartered Accountant with over four decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN) and the Chartered Institute of Bankers of Nigeria (CIBN).



Dupe Olusola

Managing Director/CEO

(Appointed to the Board in March 2020)

Mrs. Dupe Olusola is the Managing Director/CEO of Transcorp Hotels Plc. where she oversees the Company's strategic objectives through its subsidiaries; Transcorp Hilton Abuja, Transcorp Hotels Calabar and its digital hospitality platform, Aura by Transcorp Hotels.

Prior to joining Transcorp Hotels, Dupe was the Group Head, Marketing for United Bank for Africa Plc. In UBA, she also served as the Group Head Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS). Before joining UBA, Dupe had a distinguished career as the Managing Director/CEO of Teragro Commodities Limited (an indigenous agricultural company) where she spearheaded a partnership with Coca-Cola to produce Five Alive Pulp Orange Juice, making Teragro the sole local material source for the juice in Nigeria. Under Dupe's leadership, Transcorp Hotels and its subsidiaries have won over 20 awards reinforcing their impact and excellence.

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 also Prince 2, PMP and Investor Management Certified (all UK). Dupe has been recognised as one of the most influential women in African Hospitality and one of the most impactful CEOs in Nigeria. She sits on the Advisory Board of the African Hotel Investment Forum (AHIF).



Owen Omogiafo

Non-Executive Director

(Appointed to the Board in January 2019)

Dr. (Mrs.) Owen D. Omogiafo is the President and Group CEO of Transnational Corporation Plc (Transcorp), Nigeria's leading listed diversified conglomerate with investments in power, hospitality, and energy. She is the first female to hold this position.

Owen is a multi-award-winning professional with over two decades of experience in organizational development, human capital management, financial services, change management, hospitality, energy, and strategy. She has held various high-profile roles throughout her career, including Chief Operating Officer at the Tony Elumelu Foundation. She has also worked as Director of Resources at Heirs Holdings Limited, a family-owned investment company chaired by Tony O. Elumelu CFR. Her experience equally includes working as HR Advisor to the GMD/CEO at United Bank for Africa Plc, and as an Organization and Human Performance Consultant at Accenture, specializing in change management.

She holds a B.Sc. (Double Honours) in Sociology & Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics & Political Science, and a Doctorate Degree in Engineering from the Federal University of Petroleum Resources Effurun. She is also an alumnus of the Lagos Business School and IESE Business School in Spain. Owen is a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, a member of the Chartered Institute for Personnel Management, Nigeria, a member of the Institute of Directors (IoD) Nigeria, and a member of the boards of Afriland Properties Ltd, Transcorp Power Ltd, and TransAfam Power Ltd. She sits on the Advisory Board of Heirs Academy and has been recognised as one of Africa's top 100 women in leadership and one of the 100 Most Influential African Women, highlighting her significant contributions and impact.



Helen Iwuchukwu

Non-Executive Director

(Appointed to the Board in February 2020)

Mrs. Helen Iwuchukwu is a legal practitioner with over 25 years' practice and corporate experience. She is passionate about helping organisations resolve complex corporate legal challenges, manage change, improve operational efficiency and institutionalise corporate governance.

Helen currently practices as a Corporate Governance Professional in London. Prior to that, she served in various capacities including being Executive Director/Chief Operating Officer of Transcorp Hotels Plc., Group Company Secretary, and the Company Secretary / Legal Adviser for Transcorp Group. Before her time at Transcorp, she practiced law both in Nigeria and in the United Kingdom.

Helen earned an LL.B (Hons) degree from Abia State University, she is a Barrister and Solicitor called to the Nigerian Bar - BL (Hons) and holds a Master of Laws degree - LLM (Law) from Middlesex University Business School, London. She is a specialist in Employment Law and holds a Certificate in Negotiation Mastery from Harvard Business School Online. She is a member of the Chartered Governance Institute, UK and a member of the Institute of Directors (IoD) Nigeria.



Peter Elumelu

Non-Executive Director

(Appointed to the Board in November 2014)

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 previously the Chairman, Board of Directors of Delta State Urban Water Board, Asaba prior to his appointment to the Board of Transcorp Hotels Plc.

Peter earned a Bachelor of Science degree in Business Management from Rivers State University of Science and Technology, Port Harcourt, a Bachelor of Law (LLB) from National Open University of Nigeria and a Master of Science in Financial Management Technology from Federal University of Technology Owerri (FUTO). He has also taken several courses on corporate governance and risk management. He is a Fellow of the Institute of Directors (IoD) Nigeria.



Alex Okoh

Non-Executive Director

(Appointed to the Board in April 2017)

Mr Alexander Ayoola Okoh was re-appointed for the second term as the Director General of the Bureau of Public Enterprises (BPE) on April 10, 2021. BPE is a government agency with the responsibility of reforming and privatizing State-Owned Enterprises.

Prior to his appointment, Mr. Okoh was the Managing Partner of Ashford & McGuire Consulting Ltd. He has over 35 years' experience, 22 of which were in banking where his responsibilities involved general management, leadership and organisational development. He was the Managing Director/CEO of NNB International Bank Plc from 2001 to 2006

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 Master's degree in Banking & Finance from the University of Ibadan.



Alexander Adeyemi

Non-Executive Director

(Resigned from the Board on the 9th of January 2023)

Mr. Alexander M. Adeyemi, mni, FCA, FCTI, HCIB, MBA, until his retirement, was the Co-ordinating Director, Revenue and Investment at the Office of the Accountant-General of the Federation.

Mr Adeyemi comes with over 28 years Finance, Banking and accounting experience, working in the public and private sectors including international organisations.

He is an alumnus of Bayero University, Kano having graduated with BSc Accounting in 1986 and went on to earn a Master's degree in Business Administration (MBA) from Ahmadu Bello University, Zaria. He is a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN); Fellow, Chartered Institute of Taxation of Nigeria (CITN); and Member, Institute of Bankers, London, Honorary Senior Member (HCIB), Chartered Institute of Bankers of Nigeria. He is also a member of the Chartered Institute of Public Finance and Accountancy (CIPFA), London and the Certified Information System Auditor (CISA). He is a distinguished fellow of the National Institute (mni). Mr. Adeyemi has attended a number of professional courses and training programme in Strategic Financial Management, Corporate Governance, Business Process Reengineering, Infrastructure Financing, Project management, Credit Risk Management, money laundering, fraud detection, control and prevention etc.



Udechukwu Obi Osakwe

Non-Executive Director

(Appointed to the Board in February 2023)

Mr. Udechukwu Obi Osakwe is the Director, Revenue and Investment at the Office of the Accountant-General of the Federation. He has over 30 years of private and public sector professional experience covering management consultancy, oversight of financial management operations, with the Federal Ministry of Finance, the Federal Ministry of Health Nigeria, before he joined the Office of the Accountant-General of the Federation (Treasury House) Abuja.

He is an alumnus of Anambra State University of Technology (ASUTECH), Enugu where he graduated with a B.S.C in Accountancy and earned an MBA in Finance from the University of Nigeria (Enugu).

He is an experienced Chartered Accountant, Finance Director and strong finance professional with a demonstrated history in the Management Consulting Industry, and has worked with Donor Organizations such as the World Bank (IDA), AfDB, Global Fund and GAVI.



Bolanle Onagoruwa

Independent Non-Executive Director
(Appointed to the Board in December 2021)

Ms. Bolanle Onagoruwa is a lawyer with over 30 years of private and public sector professional experience. Prior to her appointment, she was an Independent Director of NOVA Merchant Bank.

Bolanle's diverse experience spans across commercial legal practice, with Bentley Edu and Co; Legal Counsel, Nigerian Industrial Development Bank, and Company Secretary/Legal Adviser Abuja Branch Head of Midas Merchant Bank. Thereafter, she joined the Bureau of Public Enterprises (BPE) where she contributed immensely to the public sector reform and privatisation in Nigeria during her 12-year service. She served as Secretary Social Development and Secretary Education in the Federal Capital Territory Administration before retiring eventually as the Director-General of BPE in 2012. She is currently Group Managing Director, ENL Consortium Limited (Abuja and Southwest Operations).

Bolanle earned an LLB from the University of Lagos, a Post Graduate Diploma in Politics, and International Relations from the University of Kent at Canterbury, she is also an alumna of the Harvard Business School (General Manager Program).





EXECUTIVE MANAGEMENT TEAM



Dupe Olusola

Managing Director/CEO

Mrs. Dupe Olusola has over 22 years corporate experience spanning various sectors locally and internationally.

With an extensive professional background spanning diverse sectors, her expertise includes private equity with African Capital Alliance, investment management, and small and medium enterprise (SME) operations. Her career history encompasses tenures at reputable organizations such as Growing Business Foundation, Bloomberg Financial Markets UK, SecTrust (currently AFRI invest), Transnational Corporation of Nigeria Plc., and Northern Trust Corporation of Chicago, UK.

Prior to her role as Managing Director/CEO in 2020, she was the Group Head of Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS) in United Bank of Africa. Through her leadership, there was meritorious expansion in the Bank's stake in the EMDOs & GIS sector across Africa and beyond.

She studied Economics at the University of Leicester, United Kingdom and obtained her M.Sc. in Development Economics from the University of Kent.

She is also Prince 2, PMP and Investor Management Certified (all UK).



Ifeoma Okafor-Obi

Business Development Director, Aura by Transcorp Hotels

Mrs. Ifeoma Okafor-Obi joined the Transcorp Hotels Plc. team in 2021 as the Business Development Director for Aura, the digital hospitality subsidiary of Transcorp Hotels Plc.

Prior to joining Transcorp Hotels, 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 had worked in multinationals such as Procter & Gamble (P&G), Diageo and Coca-Cola International before her time at 360 Brains & Brawn.

She possesses a Bachelor of Science degree in Biochemistry from the University of Nigeria, as well as a Customer Focused Strategy Specialization Certificate from the Imperial College Business School and an Online Certificate on Disruptive Strategy from Harvard University. She is an Associate of the Institute of Directors (IoD) Nigeria, where she earned an international certificate in Corporate Governance and Independent Director Certification. Ifeoma is a trainer on entrepreneurship, a coach, a mentor and an author and has spoken at various conferences both locally and regionally. Ifeoma is the 2021 John E. Pepper Humanitarian Awardee.



Bulent Tarlan

General Manager, Transcorp Hilton Abuja

Bulent is the General Manager for Transcorp Hilton, Abuja, he joined the team in May 2022. He has been working at Hilton since April 1990, and held the duty of Regional Controller for the Eastern Europe, Turkey & Austria region, until January 2008. He also held various General Manager and Cluster General Manager positions at Hilton over the past 15 years.

Prior to joining Transcorp Hilton Abuja, Bulent was the General Manager of Hilton Istanbul Bomonti Hotel and Conference Center. The Hotel comprises 840 superior quality guest rooms including 96 suites, 12,700 sq/m conference and meeting facilities (two ball rooms = 2600 sq/m and 900 sq/m), 3 restaurants, 3600 sq/m eforea & SPA and Gym facility. Between 2014 and 2016, he was appointed as the Country OeX Champion for 7 full-service Hotels in the Kingdom of Saudi Arabia. Bulent also performed the dual responsibility of Chairman of the board for 7 Hilton operating companies plus board member in two owning companies' boards, representing Hilton's interests for 12 years uninterruptedly (2003 – 2014) in parallel with his prime - functions.

Bulent studied Physics Engineering at the Middle East Technical University. He later studied economics and received his bachelor's degree in Econometrics from Istanbul University, Faculty of Economics.



Chris Odor

General Manager, Transcorp Hotels Calabar

Chris Odor is the General Manager for Transcorp Hotels Calabar Limited who spearheads the general operations of the hotel. Chris is an astute professional in the hospitality industry with over 20 years of work experience and deep knowledge of hotel financial operations, administration, and executive management.

Prior to joining Transcorp Hotels Calabar, he was the Chief Executive Officer (CEO) Royalton Hotels Abuja, then General Manager of Westwood Hotels Ikoyi, he was responsible for the daily operations of the hotel. He established Westwood hotel Ikoyi brand which was formerly known as Protea Westwood Hotel Ikoyi and was the first Nigerian General Manager since the opening of the hotel. Chris also worked with MP Hotels Ltd. (Owners of Epe Resort and Spa and Travel House Budget Hotels Lagos and Ibadan) as the Hotel Unit Accountant Lekki branch and later became the Hotel Manager Ibadan branch after one year of service. While at Travel House Hotels, he established and started up the food and beverage department and supervised the furnishing, staffing and completion of Travel Hotel Lekki F&B building project in 2015.

Chris earned an HND in Accounting and Finance from Yaba College of Technology, a Fellow of the Institute for Tourism Professionals of Nigeria and has acquired so many executive hotel management training from notable training institutions.



Segun Oduwole

Head, Business Development & Operations

Segun Oduwole is the Head, Business Development & Operations for Transcorp Hotels Plc. responsible for Strategy Formulation & Execution, New Businesses, Cost Management, Business Efficiency and Operations Improvement.

Prior to joining Transcorp Hotels, Segun served as the Senior Business Efficiency Manager for Nigerian Bottling Company Ltd (CCHBC), where he was instrumental to the formulation and implementation of key strategies across the business. Prior to this role, he was the Business Performance Manager for the Company. Before his work at Nigerian Bottling Company Ltd, Segun was the Head, Non-Financial Services Business Advisory department at Nextzon Business Services Limited. He had also served as a Consultant at Index Consulting where he participated extensively in clients' engagements across Banking, Agriculture, Manufacturing and Oil & Gas.

Segun holds a bachelor's degree in Geography and a master's degree in Geographic Information Systems from the University of Ibadan. He has undergone theoretical and practical training across Africa and Europe in Strategy, Performance Management, Process Improvement and Supply Chain.



Funmi Olofintuyi

Group Company Secretary (Ag.)

Funmi is the Group Head Legal and Company Secretary (Ag.) of Transnational Corporation Plc. She has over 11 years of Legal experience with strong background and competencies in Statutory Regulations Compliance, Corporate Governance, Debt Recovery, Cross Border Commercial Transactions, and Commercial Litigation.

Prior to joining Transcorp, Funmi worked as a Senior Associate leading the Company Secretarial, Legal Advisory, and Transactions Team at Kusamotu & Kusamotu. There she advised clients on proposed business opportunities, managed the company's corporate governance portfolio across different industries, and provided advisory services to international enterprises.

She possesses an LLB (Hons) from Obafemi Awolowo University (2009), and an LLM from the University of Warwick (2015) and was called to bar at the Nigerian Law School in 2010. She is also a member of the Institute of Chartered Secretaries and Administrators (ICSAN) and the International Bar Association.



Oluwatobiloba Ojediran

Chief Finance Officer

Since 2020, Oluwatobiloba has served as the Chief Finance Officer (CFO) of Transcorp Hotels Plc. She has about 15 years working experience with a diverse background in strategy, operational and financial management, audit, corporate reporting, financial modelling, and project management. Prior to Transcorp Hotels Plc. as a Finance Manager in 2018, Oluwatobiloba served as Financial Auditor under the Growth & Employment (GEM), a World Bank-funded project, which was implemented by the Federal Ministry of Industry, Trade, and Investment. Before joining the GEM project, she was Finance Manager at Intercontinental Hotel Lagos (now Lagos Continental Hotel), a member of the international hotel chain IHG Hotels & Resorts.

Before joining Intercontinental Hotel, Oluwatobiloba has a brief consultancy career where she provided Corporate Accounting services, Quality Assurance, and Reporting services to various small and medium scale firms. Her career began at KPMG Professional Services, where she rose to the position of Audit Senior, providing accounting, audit and advisory services to clients in a variety of industries, including government and non-governmental organizations (NGO), manufacturing, shipping, consumer markets and telecommunications.

Oluwatobiloba earned a degree (B.Sc.) in Mathematics and Statistics from the University of Lagos. 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..



Irene Nwankwo

Head, Internal Audit

Irene Nwankwo is responsible for providing independent assurance over internal control procedures and process to the Board and Management across all businesses within Transcorp Hotels Plc.

Prior to joining Transcorp Hotels, Irene began her career as an Analyst in KPMG Professional Services, where she had risen to the position of Assistant Manager in the Internal Audit, Risk & Compliance Services Unit of the firm. She has over fifteen (15) years varied relevant experience in internal audit and control, quality assurance, compliance and process reviews, and accounting/financial reporting.

Irene earned a 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). She is a seasoned consultant on corporate governance best practice having been certified by the Institute for International Research (IIR) in conjunction with the George Washington University School of Business on Corporate Governance Best Practices. She is a Board and Faculty member of the Institute of Internal Auditors (IIA) Nigeria Chapter, an Associate of the Institute of Directors (IoD) Nigeria, a member of Information Systems Audit and Control Association (ISACA) and the Association of Chartered Certified Accountants (ACCA).



Oyetoun Oseni

Head, Human Resources

Oyetoun is an experienced HR practitioner who assumed the position of Head, Human Resources at Transcorp Hotels Plc in 2022. With over 19 years of experience in the field of Human Resources, Oyetoun previously worked at the Nigerian Bottling Company Ltd (CCHBC), where she progressed her career in HR.

She held various positions including Assistant Human Resources Manager, Plant Human Resources Manager for Ilorin and Abuja Plant, and Regional HR Business Partner for two regions, with full responsibility for Ikeja Plant, the largest plant in Nigeria. Oyetoun oversaw the implementation of HR strategies, organization development programs, employee engagement, and employee relations intervention in all these locations. She played a significant role in the transformation agenda program of the company between 2012 to 2014, when Systems, Applications, and Processes (SAP) was introduced. Later, she became the Digital Employee Platform Leader for HR and Public Affairs & Communications, leading the Nigerian HR team as Product Owner/Manager for the solutions deployed.

Oyetoun has a Higher National Diploma in Business Administration and an MBA in Human Resource Management. She is an Associate Member of the Chartered Institute of Personnel Managers and a Fellow of the Chartered Institute of Diplomacy & Management.



Niyi Aderibigbe

Head, Marketing & Corporate Communications

Niyi Aderibigbe has told brand stories across different industries, including Hospitality, Banking, Media and Advertising for more than a decade. He is the Head, Marketing & Corporate Communications at Transcorp Hotels Plc, where he develops growth strategy and content to build Africa's largest hospitality brand.

Prior to joining Transcorp Hotels Plc., Niyi was Head, Content & Creatives, United Bank for Africa. Before joining UBA, he was Head of PR and Managing Editor at Arden & Newton, a Lagos-based Brand Consultancy. He has also worked as Head of Media Relations at Wema Bank Plc. and as a staff writer at Ventures Africa.

Niyi holds a Bachelor's Degree in Zoology, a Master's Degree in Environmental Biology and has an Executive Training in Financial Journalism. He is a member of the Nigerian Institute of Public Relations and the National Institute of Marketing of Nigeria.

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Transcorp Hilton

BUSINESS REVIEW AND STRATEGY



Emmanuel N. Nnorom

Chairman, Board of Directors

CHAIRMAN'S STATEMENT

Transcorp Hotels maintains a culture of consistently delivering value to its stakeholders. We continue to drive growth and innovation to ensure we achieve profitability whilst delivering exceptional customer experience to all our guests.

My fellow Shareholders, Distinguished Guests, Ladies, and Gentlemen, it gives me great pleasure to welcome you to the 9th Annual General Meeting of our company, Transcorp Hotels Plc and present to you the Annual Report and Financial Statements for the financial year ended December 31, 2022. I would like to thank you for all your commitment and support, which has enabled us continue to redefine hospitality and has contributed to Transcorp Hotels being widely recognize as the leading hospitality brand in Nigeria.

Indeed, this has been another impressive year of strong performance with substantial growth in the group, accelerated progress on our pipeline projects and improved returns to shareholders in line with expectations.

In presenting the annual results of Transcorp Hotels Plc ("Company" and together with its subsidiaries, "Group") for the financial year ended 31 December 2022, I will share with you the business strategies supporting the Group's operating figures, plans toward putting sustainability at the core of strategy - Transform our World -, and the future development direction of the Group.

MACROECONOMIC REVIEW

The world is changing rapidly, facing pressures from disruptive forces ranging from swift technological advancement, and macrotrends such as urbanisation, digitalisation, climate change, energy transition to macroeconomic downturns, which are all disrupting businesses and/or creating new opportunities.

Geopolitical and economic uncertainties are dampening investors' confidence and further weakening short-term economic prospects. Against this backdrop, the world economy grew at a slower rate than the initial projection of 4.1% anticipated at the start of the year.

The continued Ukraine-Russia war, which is worsening inflation; and climate change, is causing extreme weather events. These headwinds have dampened West Africa's medium-term outlook. GDP growth in West Africa failed to meet projections in 2022 and is forecasted to grow marginally in 2023.

Nigeria was a major driver of regional inflation with an average rate of 16.9%, higher than the regional average of 12.7%. The average fiscal deficit narrowed as economic activities resumed, more revenue was collected, tax cuts were reversed (the cuts had been introduced in 2020 to mitigate the pandemic's impacts on households and businesses), and COVID-19-related health spending fell.

The Country's growth performance, and its fiscal and external buffers, have decoupled from high oil prices, and macroeconomic vulnerabilities have increased and the deterioration in the key oil sector offset a strong performance in the services sector. In all, as a Nation, we experienced significant recovery in major sectors of the economy despite the negative inflationary headwinds, resultant high costs of doing business, and security volatility.

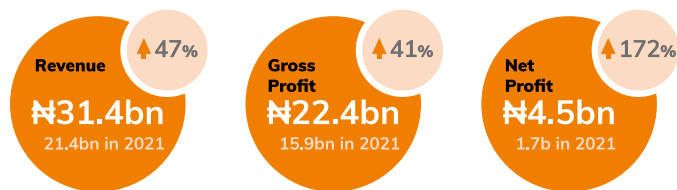
We continuously monitor the evolving global economy and operating environment and adjust our strategy and business model to ensure we remain competitive, relevant, and well-placed to create value for all our stakeholders.

DELIVERING STRONG FINANCIAL PERFORMANCE

The performance of the Company was very strong in 2022 with occupancy, revenue, and profitability indices above 2021 levels, thus setting new records.

The Group closed the 2022 financial year with a revenue of N31.4bn, being an impressive growth of 47% above the N21.4bn in the previous year. This is the highest-ever annual revenue since the inception of the Company. Similarly, we recorded a Gross Profit of N22.4bn representing a growth of 41% above the N15.9bn recorded in 2021.

The year came with its unique set of challenges which revealed our strength as shown in the disciplined and dynamic operational excellence that drove our 2022 performance. With the resultant hike in costs of supplies caused by negative macro-climate, our continued efforts to drive cost efficiencies resulted in an improved net profit margin which increased from 7% in 2021 to 11% in the year 2022.



Our focus on strategic financial management remained beneficial, as we exercised firm discipline in capital allocation. Consequently, despite the cessation of the previously enjoyed COVID-19 concessions on interest rate granted by lenders, we recorded about 2% increase in finance costs over the previous year.

We are particularly pleased to report that in October 2022, we made the final payment to the bond holders which completely extinguishes the Bond liability.

We also maintained our Credit Rating for the Company and the Bonds, as two prominent rating agencies affirmed the Company's "Stable" outlook as follows:

Global Credit Rating Co. (GCR)
Long-term Issuer Rating: BBB+(NG)

Agusto & Co.
Issuer Rating: Bbb

RE-DEFINING THE HOSPITALITY STANDARDS

The World Travel & Tourism Council (WTTC) has revealed the Travel & Tourism sector in Nigeria is expected to create 2.6 million new jobs over the next decade, doubling the number of those employed within the sector by 2032.

According to the report, Nigeria's Travel & Tourism's contribution to GDP is forecasted to grow at an average rate of 5.4% between 2022-2032, significantly outpacing the 3% growth rate of the overall economy.

Transcorp Hotels Plc is committed to contributing to the development of the hospitality and tourism landscape through technology and process improvement by keeping up with new developments and innovations as well as responding quickly to global trends, we will, in the long term, be an integral part of the hospitality ecosystem that will support the Country's recovery effort, thereby positioning us for future growth.

Experts from the Industry have predicted that 2023 will see further acceleration and evolution of several long-term trends, that have been shaped by the COVID-19 pandemic, due to significant shifts in customers' needs, priority and expectations, with a strong focus on wellbeing- driven demands and the blurring of market segments.

From our perspective, these trends have shaped the global

hospitality industry for a better, more sustainable, and enriching future and has presented us with the opportunity to redefine our value proposition and contribution to the growth of the Nigeria's Hospitality Industry.

Leveraging our critical success factors which include Innovation, Technology, Empowered Employees, Customer Relationship Management, and data driven decision making, we will re-define the hospitality standards by adapting our businesses to global trends and expanding our product and services offerings to meet the needs of emerging market segments within the hospitality space.

Transcorp Hotels Plc, as market leader, is in tune with the global trends that would re-define the hospitality sector and through our dynamic business model, we have begun to explore these opportunities.



- **Driving Sustainability**

Our commitment to sustainability has always been integral part of corporate culture. It is part of our strategic framework for transformational growth upon which our medium- and long-term success is hinged.

- **Mix of Business and Leisure – "Bleisure"**

To meet the market demand, we have curated a unique package tagged the "weekend staycation", with exciting & curated wellness and fitness activities.

- **Staycation**

At Transcorp Hotels Plc, we have expanded our play in the leisure market segment with various events and leisure activities that we promote all-year-round that appeal to different generational classes.

- **Digital Nomads**

The number of digital nomads is expected to increase, especially as some companies have implemented "working from anywhere in the



world” policies. Following the successful pilot of “Workspaces by Transcorp Hotels” in our flagship property, Transcorp Hilton Abuja, we intend to expand this innovation into key locations in Nigeria.

• **Innovation and Digitalization**

This will continue being a focal point for improving customer experience. We leveraged the opportunity to generate demand in our leisure business segment, with engaging content, personalized engagement, among other top digital strategies. Our rooms at Transcorp Hilton Abuja are also equipped with state-of-the-art IPTV with interactive features customized to enhance guest experience. We are constantly seeking technology that can drum up digital guest engagement and loyalty.

• **Solo Travel**

Solo travel is on the rise, as more and more travelers take off on their own to explore destinations around the world. Our latest product, Aura by Transcorp Hotels (“Aura”), is positioned to take advantage of this opportunity through its curated listings featuring accommodation and experiences

We owe our Group's record, financial and ESG results to the invaluable trust of our shareholders and the resilience of our teams.

In December 2022, we re-launched Aura 2.0 with key functionality differentiators to ensure we stand apart from competition. Through Aura,

Transcorp Hotels Plc. now has 6,521 Rooms Under Management, cementing our place as the largest hotel in Sub-Saharan Africa;

The Transcorp Brand now has presence in 15 States across Nigeria;

We have secured over 4,800 registered users in addition to our rich customer base.

SUSTAINABILITY AND ENVIRONMENT, SOCIAL & GOVERNANCE (ESG)

The Board of Directors of Transcorp Hotels Plc acknowledge the importance of ESG activities as a driver of long-term value creation and business sustainability.

ESG issues are considered a business imperative and remain at the core of the Company's strategy and philosophy to Transform Our World. In 2022, the Company revised its sustainability commitment statement to, “creating positive environmental, social and economic impact across our businesses and communities” emphasizing Transcorp's priority as a business.

We embarked on ESG activities focused on Climate & Environment; Diversity & Inclusion; Community Impact & Empowerment; Wellness, Health & Safety; and Corporate Governance & Strategy.

We have established, comprehensive governance, internal control, compliance, internal audit, and risk management programs that provide comfort on the effectiveness, transparency and efficiency of processes and procedures.

CORPORATE GOVERNANCE

Governance at Transcorp Hotels Plc goes 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 and good corporate governance practices. This commitment to the high standards of corporate governance is evidenced by our

CGRS rating and accreditation.

DIVIDEND

In line with our commitment to continuously maximize long-term value for our shareholders, I am pleased to announce that the Board recommends for the consideration and approval of shareholders at this meeting, a total of 13kobo per ordinary share as final dividend.



OUTLOOK FOR 2023

According to the African Development Bank Group, Nigeria's growth may slow down in 2023 amidst threats resulting from the lingering global supply chain crisis, inflationary pressures, and rising insecurity.

Growth is projected to remain tepid at 3.1 percent in 2023 before slowly picking up to 3.3 percent toward year end. Inflation is projected to remain elevated and to stay above pre-pandemic levels in 2023, fueled mainly by rising food, diesel, and gas prices and persistent supply disruptions amplified by Russia– Ukraine conflict.

Nigeria continues to experience deep macroeconomic imbalances, underpinned by a costly subsidy on fuel, a near 20-year high inflation, and foreign exchange shortages that have fueled rapid depreciation of the national currency, further eroding citizen's purchasing power. Whilst capital inflows are projected to recover, due to favorable oil prices globally, the benefit of a higher positive oil prices may be partly limited due to lower oil production as a result of oil theft, infrastructure deficiencies and rising insecurity.

There are however opportunities for Nigeria on the global front as Europe looks to permanently cutoff gas exports from Russia. The European Intelligence Unit believes Nigeria's oil industry remains one to watch with potential foreign investment. It alluded that those investments will trickle in via the Petroleum Industry Act, passed in 2021, and is aimed at making Nigeria a more attractive

destination for foreign direct investment.

The effective consolidation of public and private sector efforts in increasing national output, formulating decisive policy actions, and preparedness for infrastructure development, sustainability, and climate-related crises is expected to buttress the growth over the longer term. More specifically, in Nigeria, growth will be driven by a recovery in non-oil sectors and expected higher oil prices. The pressure on Naira is also projected to ease in Q1, 2023 leading to reduced inflation and more favorable CBN MPR Rates.

Some analysts have opined that the challenge for most businesses in the year ahead will be related to the inflation & energy crises. For our business, we would drive key investments in innovation and cost efficiency, including hospitality tech to improve our competitive advantage in the industry through sustainable and cost-effective strategies.

2023 is also a special year, as Nigeria holds its general elections. Amidst current economic and security uncertainties, the Company remains positioned to take advantage of the increased political activities anticipated, within the first quarter of the year, to showcase its excellent hospitality credentials to the world, especially as we host both local and international election observers at the Hotel.

In staying true to our key strategic thrusts of sweating our existing assets and business expansion, we will



continue to deepen and expand our market share whilst continually providing the highest service standards. We have commenced the construction of the Transcorp Events Centre in Abuja, a 5000-capacity purpose-built facility featuring state-of-the-art amenities. The Event Centre is intended to be a suitable venue to host medium to large scale events such as trade fairs, concerts, and weddings.

Transcorp Hotels Plc. is committed to contributing to the development of the hospitality and tourism landscape in Nigeria, so, there are more developments in the pipeline, as the team of competent and innovative staff work to harness various opportunities.

CONCLUSION

In achieving our 2022 success, the Board acknowledges that the contribution of the staff toward the implementation of key strategic initiatives was key to our success. We maintained excellent guest experience for our customers, continued to prioritise their safety & security and invest in strategic initiatives for the long-term health and sustainability of the business.

2022 was a testament to what we can achieve with the support of all relevant stakeholders and proper utilization of our people and processes. Our resilience and innovation were imperative and key as we navigated through the various challenges during the year.

As we proceed into the new year, we will not rest on our laurels, the team is energized and committed to going above and beyond the call of duty to deliver a superior performance like we did this year, and we believe that with your continued support, we will hit our set goals in 2023.

My immense gratitude goes to our guests for their unwavering loyalty and patronage through the years. I firmly assure you of our commitment to delivering only excellent services to you through our sensitivity to your ever-changing needs and priority.

To our esteemed shareholders, thank you for the support towards achieving our shared goal of making Transcorp Hotels Plc. Africa's premier hospitality brand. With our collective efforts, your company will continue to soar to greater heights.

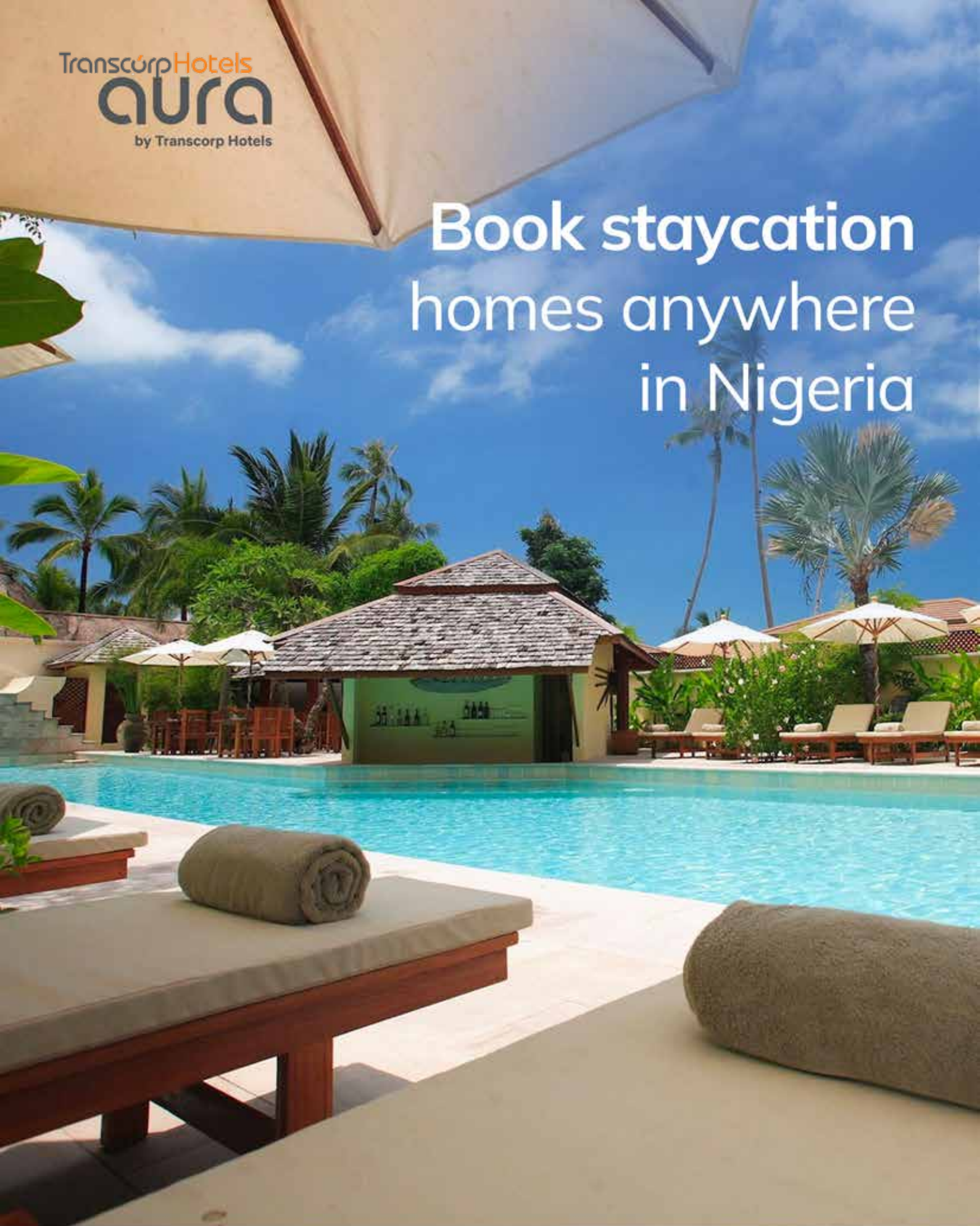
On behalf of the Board, I sincerely thank our management and teams for their commendable resilience and agility delivering such remarkable results in very challenging circumstances.

Thank you.

Emmanuel N. Nnorom

Chairman, Board of Directors

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Dupe Olusola
Managing Director / CEO

CEO'S Report

As great as last year was for our company, in many ways, 2023 is shaping up to be even better. We ended 2022 exceeding targets, and we start 2023 with a renewed drive to grow our business and expand our reach in Nigeria and beyond.

I am pleased to report that in 2022, Transcorp Hotels Plc delivered outstanding results for all our customers, our partners and shareholders. We made important strides in our pipeline and expansion projects, strong operational performance and growth. Despite the cautious stance from the industry, we went into the year 2022 optimistic, focusing on continuous investment in innovation, which enabled us to remain dynamic, agile, and responsive to the volatile economic situation and changing guest preferences.

The overarching strategy for 2022 was to consolidated and build our achievements from 2021, by optimizing all facets of our business, ranging from operational efficiency to guest engagement, bolstering direct revenue, and enhancing the good cost-savings measure and financial strengths of the Company.

The detailed execution of our strategy resulted in an impressive performance and overall growth in 2022. We closed the year with an average occupancy rate of 78% surpassing the 67% recorded in 2021. This is unarguably the most impressive growth in the history of our business and indeed in the Nigerian hospitality environment.

Despite the uncertainty in the macro climate, from inflation, to global supply chain issues, to Naira devaluation, and potential economic downturn, Transcorp Hotels Plc's business model remained resilient. Our people, our approach and our core values of Enterprise, Execution, and Excellence continued to fuel our Company's growth to achieve results. The opportunities ahead are significant, and our strategy and and we are well positioned to deliver, experience will be critical to help us achieve even more accomplishments are proving effective.

The consistent rise in inflation rates from 15% in January to 21% in December, and the sharp rise in energy costs impacted our cost of operations adversely. In response, we intensely drove our cost management imperatives, including implementing an alternative power source for our boiler. Despite all of these challenges, we continued to deliver superior customer experience while we retained our position as the market leader in the hospitality industry.

Despite all of these challenges, we continued to deliver superior customer experience while we retained our position as the market leader in the hospitality industry.

2022 FINANCIAL PERFORMANCE

We delivered another exceptional year of revenue growth with a 47% increase to ₦31.4bn in 2022 from the ₦21.4bn recorded in 2021. This impressive achievement is the highest revenue generated since the inception of the Hotel and has set the Group above pre-COVID performance levels.

The full-fledged return of the International Business Travel segment and the bolstering leisure segment contributed immensely to this performance. We continuously strive to achieve a dynamic mix of business types closely managing our hotel occupancy and guest experience.

Our excellent financial performance in 2022, despite adverse economic conditions, is the direct result of our concerted efforts and commitment to deliver value to our stakeholders and customers, with a gross profit of ₦22bn achieved, a 41% increase against the previous year at ₦16bn.

RISK MANAGEMENT

Although, Transcorp Hotels Plc noted strong growth within the year, the world continues to wrestle with challenging events and a changing risk landscape. As we enter the third year of the pandemic, effectively dealing with Covid-19 and its evolving variants will continue to be an issue for our company, as it will be for other businesses. Our responses must continue to be driven by the imperatives of protecting our people and their families, and supporting our customers, our communities, and our other stakeholders.

In addition to Covid-19, persistently high inflation, fueled by supply-chain disruption, overly loose monetary policy, soaring energy prices and insecurity, could create headwinds for a still fragile economic recovery in 2023.

For these issues—as well as cybersecurity, public policy dynamics, and other major risk categories—the leadership team maintains an open, high-quality dialogue with our Board of Directors, which has a responsibility to exercise effective and meaningful oversight of the company's risk management process.



AWARDS AND RECOGNITIONS

Transcorp Hotels' brands continue to create memorable experiences driven by the Company's consistency in delivering world-class guest experiences and excellent services across all its touch points. As a result, we won several awards in 2022.

Transcorp Hotels Plc won the award for the Most Outstanding Hospitality Brand of the Year, as well as the Pearl Awards' Sectorial Leadership Award - Services (Hotels & Lodging).

Our flagship property, Transcorp Hilton Abuja clinched the following awards at the World Travel Awards:

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

This was the highest number of awards received by a single Company represented at the Awards ceremony and this speaks to local and international recognition of the quality and consistency of our service delivery.

Transcorp Hilton Abuja and Zuma Grill Restaurant also won the World Luxury Hotel Awards for the Best Luxury Business Hotel in West & Central Africa, and Best Fine Dining Cuisine in Africa respectively.

Other awards won by Transcorp Hilton Abuja include:

- Trip Advisor's Traveller's Choice Award
- The Booking.com Traveller Review Award
- Seven Stars Luxury and Lifestyle Awards for the Best Luxury Hotel in Nigeria and Best Luxury Business Hotel in Africa

Transcorp Hotels Calabar received the following awards;

- Best Event Hall Award and the Best Hotel Accommodation Award from the Cross River State Tourism Bureau.
- The Best Safety Compliance Award from the Cross Rivers State Health and Safety Commission.

Aura by Transcorp Hotels, the latest addition to our Group, also received the Special Recognition Award for Tourism Innovation at the Nigerian Tourism Awards.

In my capacity as Managing Director/CEO, I have been named one of the Top 50 Value-Driven CEOs in Nigeria and one of the most impactful women in Leadership by The Guardian, one of the Top 100 Travel & Tourism Personalities in Africa by Akwaaba Africa Travel Markets and African Travel Quarterly and named to the Advisory Board of the African Hospitality Investment Forum.





EXPANSION INTO NEW FRONTIERS

To expand our horizon and push for new frontiers, we remain committed to exploring profitable business adjacencies while we drive to complete our pipeline projects and initiatives.

Aura by Transcorp Hotels

To remain competitive and in response to emerging trends and customer preferences, we have upgraded and relaunched our hospitality tech platform - Aura. The Aura 2.0 release is loaded with state-of-the-art functionalities and a very exciting user interface.

With over 5,000 rooms and counting across different hotels and apartments nationwide, Aura by Transcorp Hotels is a platform that has enabled us to expand very quickly to places that would have otherwise taken us many years to

reach. Through Aura by Transcorp Hotels, we will continue to leverage the power of technology to fast-track the growth of the accommodation and leisure segments of our business.

Bukka Restaurant Facelift

Our flagship restaurant, Bukka, was renovated to give it the much-needed transformation and value-adding improvements. The interior was designed with artwork and close-up flowering that will reinvigorate and generate excitement for both new and existing customers, consequently, driving foot traffic and a boost in customer spending.

Gym Upgrade

In line with our 2022 asset optimization strategy, we carried out a holistic upgrade of Gym changing areas. This upgrade also included the addition of state-of-the-art steam rooms and saunas. This is aimed at improving the guest experience for gym members and external guests.

Introduction of Spa at Transcorp Hilton Abuja

In partnership with a leading Spa Operator in Nigeria, we introduced a best-in-class Spa at Transcorp Hilton Abuja with the aim to improve our in-house facilities and increase guest satisfaction. The Spa offers therapeutic and timeless treatments in an intimate, indulgent environment featuring innovative spa treatments, magnificent facilities, and the most gracious, expert service.



Transcorp Hotels, Ikoyi

Our pipeline project, Transcorp Hotels Ikoyi, has as its key objective, the provision of premium hospitality services in Nigeria. We intend to make a significant contribution to the development of the economy of Lagos State by developing an iconic five-star (5-star) hospitality destination with state-of-the-art facilities at Glover Road, Ikoyi, Lagos State.

Critical milestones have been achieved and includes the acquisition and receipt of the Certificate of Occupancy for an additional parcel of land.

Transcorp Event Centre

Construction has commenced at the Transcorp Event Centre which will emerge as the largest conference and exhibition centre in Abuja when completed. The centre will provide capacity for over 5,000 in theatre style and over 2,500 in banquet style. This is essential for a city like Abuja as demand for centres such as this is on the rise.

Upgrade of Transcorp Hotels, Calabar

We completed the upgrade of 50 rooms at the Transcorp Hotels Calabar. This strategy has further positioned Transcorp Hotels Calabar as the choice destination in the city and improved its financial performance despite the peculiar economic challenges in the City of Calabar.

STRATEGIC PRIORITIES FOR 2023

As we look forward to building on the successes and strengths of 2022, we would continuously review our business strategies, to optimize our existing businesses, identify new opportunities and accelerate execution.

We plan to deliver a world-class event centre at Transcorp Hilton Abuja, set to be the largest in the city, taking advantage of the ever-growing demand for event locations in the city and neighbouring states and towns.

Cost optimisation would be a top priority, taking advantage of our robust financial management processes and procedures. We will not compromise on our service offerings and customer experience on all touch points



across our business verticals. Plans are already geared towards the improvement of our Meeting Rooms, Children's Playground, Oriental Restaurant and Congress Hall.

CONCLUSION

I feel incredibly optimistic about the great feats ahead for our company. We have market-leading asset light hospitality products & services, our proposed Event Center and partnership with iconic brands that will surely boost our expansion and growth rapidly further adding to our footprints and bottomline.

We recognise the enormous responsibility to inspire and support our people to succeed. We continue to look for ways to invest in our people's growth and development and to help them balance their work and personal lives. This includes a strong focus on management skills, training and support for mental health and well-being, as well as the health and safety of all who work at Transcorp Hotels Plc.

I would close with thanks on several fronts. First, a heartfelt thank you to the Transcorp Hotels Plc Staff, for their remarkable talents and skills that have fuelled our mutual

efforts. The dedication to work has led us to success and I am confident that we will achieve more in 2023.

To the Board of Directors, I would like to say thank you for bringing your passion, intellect, insight and experience, to the table. To our shareholders, we are grateful for your belief and trust in your company and thank you for your continued support. We are committed to living up to this as we work to fulfill our purpose and continue to deliver even more value for you.

And finally, thanks to our esteemed guests for being our valued customers. We are so grateful for the pleasure of serving you and we commit to remaining your brand of first choice today and beyond to a very prosperous and promising 2023.

Thank you.

A handwritten signature in black ink, appearing to read 'Dupe Olusola'.

Dupe Olusola
Managing Director/CEO,
Transcorp Hotels Plc.

TranscorpHotels



...Redefining hospitality


Transcorp Hilton

TranscorpHotels
CALABAR

aura
by Transcorp Hotels

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☎ +234 (0) 803 901 3000
✉ info@transcorphotelsplc.com





CORPORATE GOVERNANCE

Corporate Governance Report

Transcorp Hotels Plc. (“the Company”) is committed to upholding the highest standards of corporate governance, as we understand that sustainability can only be possible with the highest standards of corporate governance practices. We have gone beyond the creation and delivery of long-term value to our stakeholders, and our focus is on sustainability and value creation in a manner consistent with our values.



1. Overview

During the year ended 31 December 2022, the Company complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council (FRC) and the Securities & Exchange Commission (SEC), together with its Audit Regulation, the Guidelines by the Securities & Exchange Commission (SEC) and all applicable laws regulating corporate governance. The Board was of a sufficient size of eight (8) Directors, including an Independent Non-Executive Director, increasing the degree of objectivity to the Board in the control and direction of the Company’s activities. Furthermore, the Board was effectively and efficiently supported by well-structured Board Committees, i.e., the Finance and Investment and the Board Audit and Governance Committees. 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 2022 were:

- Human Resources Policy
- Corporate Social Responsibility Framework
- Procurement Policy
- Executive Management Charter

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

Corporate Social Responsibility Framework

This framework sets out the overarching guidelines and procedures to govern the implementation and execution of Corporate Social Responsibility (“CSR”) activities of the Company. It also enshrines and drives the Company’s commitment to creating positive social transformation in the communities in which the Company operates.

Whistleblowing Policy

This policy sets out the modalities for reporting in good faith and investigating suspected cases of fraudulent, illegal and unethical activities in the Company. It provides safeguard for whistleblowers and reinforces the Company’s non-victimization policy for officers who report such activities in good faith.

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 Governance and Board Committees Governance Charter

This Charter provides for the types of Committees, terms of reference, 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 Statutory Audit Committee (SAC) are governed by the provisions of the Companies and Allied Matters Act, 2020 (CAMA).

Business Continuity and Disaster Recovery Policy

This Policy was designed to provide procedures and guidelines that the Company and its stakeholders should adhere to, in the event of an emergency, loss of service or disaster. The Policy defines the roles and responsibilities for the execution of the business continuity plan, provides an effective and efficient approach to managing the risk of business disruption, serves as a guide for all responsible officers on their roles and tasks during and after the period of crisis, and provides clear guidance on the planning, prevention, response and transition in the event of a business disruption.

Delegation of Authority and Empowerment Grid

This policy sets out the limits of financial and administrative authority ceded to the Approving Authority of the Company. The objective of the Policy is to establish authority limits in the Company, to enhance internal control and operational effectiveness.

Board Succession Policy

This policy was developed to ensure continuity and stability of the Company's operations by establishing an effective and orderly succession process for Directors that will result in the collective knowledge, skills and experience necessary for the Board to effectively govern the operations of the Company.

Sustainability Policy

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

2. Board of Directors

2.1 General

In the financial year 2022, the Board consisted of eight members made up of one (1) Executive Director (the Managing Director/CEO) and seven (7) Non-Executive Directors, one of whom is an Independent Director as defined by the Nigerian Code of Corporate Governance.

The Board exercises oversight and control thereby ensuring that Management acts in the best interest of the stakeholders of the Company especially, the shareholders, while sustaining the value and brand of the Company. In accordance with the provisions of the Code of Corporate Governance and the Company's Board Governance Charter, the Board met five (5) times during the financial year. The Chairman of the Board of Directors presided over the Board proceedings and provided leadership to the Company and Board.

The details of Directors' attendance at Board meetings are disclosed on page 47 of the Annual Report. The Board established formal delegations of authority, through its Empowerment Policy, and defines the limits of Management's power and authority, delegating to Management, certain powers to run the Company's day-to-day operations.

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.

Board Appointment

The Board Governance Charter of the Company sets out the governance framework and the appointment of members to the Board. Directors are appointed on 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 with very high integrity, a good image and reputation, shareholder orientation, no conflict of interest and a genuine interest in and commitment to the Company.

Induction and Training process

The Company has a formal Induction Plan and procedure for newly appointed Directors, which is detailed in its Board Induction Policy. Newly appointed Directors undergo this induction programme to become knowledgeable about the business, its governance structure and key officers, its subsidiaries' businesses, facilities, and operational procedures. They are also trained along with other Board members Group-wide.

Separation of the position of Chairman and Managing Director

In compliance with good corporate governance, the positions of the Chairman of the Board and the Managing Director/CEO are separate and occupied by separate individuals.

2.2 Membership and Changes on the Board

There were no changes in the composition of the Board of the Company during the financial year under review. However, Mr. Udechukwu Obi-Osakwe was appointed on February 16, 2023, following the retirement of Mr. Alexander Adeyemi from the Board. Both Directors are representatives of the Ministry of Finance Incorporated.

The Board Composition is as detailed below:

SN	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 28 2020	Chairman	9 years
2	Mrs. Dupe Olusola	March 25 2020	N/A	MD/CEO	3 years
3	Mrs. Owen Omogiafo	January 2019	April 4, 2022	BAGC Chairman	4 years
4	Mrs. Helen Iwuchukwu	February 2020	October 22 2020	Non-Executive Director	3 years
5	Mr. Peter Elumelu	November 1, 2014	March 2017, April 2020	Non-Executive Director	8 years
6	Mr. Alex Okoh	April 2017	April 26, 2021	Non-Executive Director	5 years
7	Mr. Alexander Adeyemi *	July 15, 2019	April 4, 2022	Non-Executive Director	3 years
8	Ms. Bolanle Onagoruwa	December 17, 2021	N/A	Independent Non-Executive Director	1 year
9	Mr. Udechukwu Obi Osakwe *		N/A	Non-Executive Director	
10	Mr. Muyiwa Oduniyi	April 2020	N/A	Alternate Director to Mr Okoh	3 years

N/A means "Not applicable"

*Mr. Udechukwu Obi-Osakwe was appointed as Non-Executive Director representing the Ministry of Finance Incorporated to replace Mr. Alexander Adeyemi.

Board Meeting Attendance

The Board met five (5) times in 2022. The table below shows the frequency of meetings of the Board, and members attendance:

Directors	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. Emmanuel N. Nnorom	5	5	28 February, 26 April, 27 July, 15 September, 21 November
Mrs. Dupe Olusola	5	5	28 February, 26 April, 27 July, 15 September, 21 November
Mrs. Owen Omogiafo	5	5	28 February, 26 April, 27 July, 15 September, 21 November
Mrs. Helen Iwuchukwu	5	5	28 February, 26 April, 27 July, 15 September, 21 November
Mr. Peter Elumelu	5	5	28 February, 26 April, 27 July, 15 September, 21 November
“Mr. Alex Okoh (or Mr. Muiyiwa Oduniyi)”	5	5	28 February, 26 April, 27 July, 15 September, 21 November
Mr. Alexander Adeyemi	5	5	28 February, 26 April, 27 July, 15 September, 21 November
Ms. Bolanle Onagoruwa	5	5	28 February, 26 April, 27 July, 15 September, 21 November

The Directors to retire by rotation and offering themselves for re-election are Mr. Emmanuel Nnorom and Mr. Peter Elumelu.

2.4 Board Committees

In accordance with the Board Governance Charter, the Company maintains a Board Audit and Governance Committee and a Finance and Investment Committee. In the year 2022, the Company conducted evaluation to assess the performances of the Board and her Committees.

Board Audit & Governance Committee

During the year, the Committee continued to work in line with its mandate and made recommendations to the Board on the matters delegated to it by the Board including:

- Establishment of formal procedures for the nomination of Directors.
- Advice and recommendation to the Board on its composition.
- Approval of recruitments, promotions, redeployments, and disengagements for the Company/Group heads of departments that make up the Executive Management Committee.
- Review and evaluation of the skills of members of the Board.
- Making recommendations to the Board on compensation for all staff of the Company and subsidiary Boards.
- Giving advice to the Board on corporate governance standards and policies.
- Review and approval of all human resources and governance policies for the Group.
- Review and recommendation to the Board and Shareholders on any changes to the memorandum and articles of association.
- Evaluation and appraisal of the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- Monitoring and evaluation on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.
- All other function assigned to it by the Board including Audit and Regulatory Compliance.

The Committee also provides a written report to the Board on its proceedings and recommendations at the Company's quarterly Board meetings.

During the year, the Committee comprised of the following:

- | | | | |
|----|-----------------------|---|----------|
| 1. | Mrs. Owen Omogiafo | - | Chairman |
| 2. | Mr. Peter Elumelu | - | Member |
| 3. | Mr. Alexander Adeyemi | - | Member |
| 4. | Mrs. Helen Iwuchukwu | - | Member |
| 5. | Ms. Bolanle Onagoruwa | - | Member |

*Ms. Onagoruwa was nominated to the BAGC on Monday, February 28, 2022.

The BAGC met four (4) times in 2022

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended
Mrs. Owen Omogiafo	4	4	7 February, 8 April, 8 July, 24 October
Mr. Peter Elumelu	4	4	7 February, 8 April, 8 July, 24 October
Mr. Alexander Adeyemi	4	4	7 February, 8 April, 8 July, 24 October
Mrs. Helen Iwuchukwu	4	4	7 February, 8 April, 8 July, 24 October
Ms. Bolanle Onagoruwa	3	3	8 April, 8 July, 24 October

The Head, Internal Audit attended all the BAGC Meetings and presented the Internal Audit Report at each.

(b) Finance and Investment Committee

The Finance and Investment Committee assists the Board in its oversight on finance and risk matters, and performs the following functions:

- Discharging the Board's responsibilities, regarding strategic direction and budgeting.
- Providing oversight on financial matters and the performance of the Group.
- Reviewing and recommending investment opportunities or initiatives to the Board for decision.
- Recommending financial and investment decisions within its approved limits.
- Assisting the Board in fulfilling its oversight responsibilities regarding IT Governance control.
- Ensuring that an effective system of financial and internal control is in place.
- Monitoring and assessing the overall integrity of the financial statements and disclosures of the financial condition and results of the Group.

During the year, the Committee reviewed the Company's financial and investment procedures quarterly financial statements, tax-related matters, funding requirements of operating businesses, budgets, earnings forecasts, risk management reports, progress on key investments, and more.

The Committee also took decisions on the above-mentioned matters and made recommendations to the Board for approval at its quarterly board meetings.

The Committee had the following composition in the year under review, with the Chairman being a Non-Executive Director.

- | | | | |
|----|----------------------|---|----------|
| 1. | Mr. Peter Elumelu | - | Chairman |
| 2. | Mrs. Dupe Olusola | - | Member |
| 3. | Mrs. Helen Iwuchukwu | - | Member |
| 4. | Mrs. Owen Omogiafo | - | Member |
| 5. | Mr. Alex Okoh | - | Member |

The FIC met four (4) times in 2022:

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended
Mr. Peter Elumelu	4	4	7 February, 8 April, 8 July, 21 October
Mrs. Dupe Olusola	4	4	7 February, 8 April, 8 July, 21 October
Mrs. Helen Iwuchukwu	4	4	7 February, 8 April, 8 July, 21 October
Mrs. Owen Omogiafo	4	4	7 February, 8 April, 8 July, 21 October
Mr. Alex Okoh (or Mr. Toibudeen Oduniyi)	4	4	7 February, 8 April, 8 July, 21 October

The CFO attended all the FIC Meetings and presented the Financial & Risk Management Report at each. In line with the recommendations of the FRC Code, the Internal Auditor was invited into the FIC meetings during the presentation of Risk Management Reports.

(c) The Statutory Audit Committee

The Company's Statutory Audit Committee (SAC) is 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 to the Company, is chaired by a shareholder and has two other shareholders and two Directors as members. In addition to the powers conferred on the SAC by CAMA, the Committee is empowered to engage the services of independent consultants in the discharge of its duties.

The Committee comprised of the following in 2022:

1. Mr. Akaninyene Obot - Chairman
2. Mr. Eric Akinduro - Member
3. Mr. Erinfolami Gafar - Member
4. Mr. Peter Elumelu - Member
5. Ms. Bolanle Onagoruwa - Member

The SAC met four (4) times in 2022 as detailed below:

Members	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended
Mr. Akaninyene Obot	4	4	24 February, 26 April, 27 July, 21 November
Mr. Eric Akinduro	4	4	24 February, 26 April, 27 July, 21 November
Mr. Erinfolami Gafar	4	4	24 February, 26 April, 27 July, 21 November
Mr. Peter Elumelu	4	4	24 February, 26 April, 27 July, 21 November
Ms. Bolanle Onagoruwa	3	3	26 April, 27 July, 21 November

(d) Executive Management Committee

The Company's 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.
- Articulating the manner through which investment sectors/new business areas and geographies will be chosen and making recommendations to the Board in that regard.
- Recommending to the Board, the framework or policy for investment; and monitoring the implementation of investment procedures.
- In line with Board approvals, outlining of philosophy, policy, objectives and resultant tasks to be accomplished.
- Recommending to the Board, structures and systems through which activities are arranged, defined and coordinated in terms of specific objectives.
- Preparation of annual financial plans for the approval of the Board and ensuring the achievement of set objectives.

3 Internal Control / Audit Committees

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 of ensuring and promoting compliance with statutory and regulatory requirements, as well as with internal policies approved by the Board.

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

The Head of Internal Audit is fully empowered to do her job, she is independent and reports directly to the Audit Committee.

4 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's 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.

5 Investor Relations

The Company has an Investor Relations Unit under the Finance department which holds regular Investor Conferences to brief stakeholders on the performance of the Company. The Company also regularly briefs the regulatory authorities and files regulatory returns and announcements which are accessible to investors and the general market via the stock market news.

6 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 & Allowance

Chairman earns N3,000,000 as Directors' fees annually

Non-Executive Directors earn N2,000,000 as Directors' fees annually

Various components of remuneration are payable quarterly, half-yearly or annually.

Board Meetings

Chairman earns N300,000 sitting allowance per meeting .

Non- Executive Directors earn N200,000 sitting allowance per meeting

Transportation costs and hotel expenses are reimbursed where applicable.

Committee Meetings

Chairman earns N200,000 sitting allowance per meeting

Non- Executive Directors earn N150,000 sitting allowance per meeting

Transportation costs and hotel expenses are reimbursed where applicable.

Executive Directors

The remuneration policy for Executive Directors includes the following:

Fixed remuneration, taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent positions of comparable 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 Key Performance Indicators (KPIs) set and appraised annually by the Board.

7 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, 2022, in line with the requirements of the Financial Reporting Council ("FRC") Code of Corporate Governance (the "Code").

The Statement by the External Consultant on the Board and Corporate Governance evaluation are contained in pages 68 and 69 of the Annual Report and covers the summary of Board, Committees, Individual Directors' and overall governance evaluation.

8 Human Resource Policies and Internal Management Structure

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

9 Gender Diversity on the Board and Employment

The Company maintains gender diversity at the Board level and in staff employment 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.

10 Auditor

The firm of Deloitte & Touche has served for a period of three years as the Independent Auditor. In accordance with section 401(2) of the Companies and Allied Matters Act 2020, Deloitte & Touche have indicated their willingness to continue after their third 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 have pleasure in submitting their report on the consolidated and separate financial statements of Transcorp Hotels Plc. ("the Company"), and the Group for the year ended December 31, 2022.

1. Principal Activities

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.

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 76 - 159 of these consolidated and separate financial statements. The summarised results are presented below.

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Revenue	31,441,914	21,417,676	30,432,720	20,558,761
Gross profit	22,389,657	15,904,977	21,731,067	15,346,513
Profit before tax	4,527,003	1,662,611	4,851,033	1,111,722
Tax	(1,909,109)	(545,295)	(1,774,501)	(537,347)
Profit after tax	2,617,894	1,117,316	3,079,532	574,375

3. Directorate

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

Directors

Mr. Emmanuel Nhorom
Mrs. Dupe Olusola
Mrs. Owen Omogiafo
Mrs. Helen Iwuchukwu
Mr. Peter Elumelu
Mr. Alex Okoh
Mr. Alexander Adeyemi (Resigned 9 January 2023)
Mrs. Bolanle Onagorowa
Mr. Udechukwu Obi Osakwe (Appointed 16 January 2023)

4. Directors' interests in shares

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

Directors	Position	2022 Direct	2021 Direct	2022 Indirect	2021 Indirect
Mr. Emmanuel Nnorom*	Chairman			1,000,000	1,000,000
Mrs. Dupe Olusola	Managing Director	310,574	310,574	-	-
Mrs. Owen Omogiafo**	Non-Executive Director	350,000	350,000	7,800,070,016	7,800,070,016
Mrs. Helen Iwuchukwu	Non-Executive Director	10,000	10,000	-	-
Mr. Peter Elumelu	Non-Executive Director	135,000	135,000	-	-
Mr. Alexander Okoh	Non-Executive Director	10,000	10,000	-	-
Mr. Alexander Adeyemi***	Non-Executive Director	-	-	1,131,165,000	1,131,165,000
Ms. Bolanle Onagoruwa	Non-Independent Executive Director	122,329	-	-	-
		937,903	815,574	8,932,235,016	8,932,235,016

*Held indirectly through Vine Foods Limited.

**Held indirectly through Transnational Corporation Plc.

***Held indirectly through the Ministry of Finance Incorporated.

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

The Group consists of the Company and its subsidiaries: Transcorp Hotels Calabar Limited, Transcorp Hotels Ikoyi Limited, Transcorp Hotels Port Harcourt Limited, and Aura by Transcorp Hotels Limited.

5. Directors' interests in contracts

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

6. Alternate Directorship

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

7. Dividends

The Board of Directors have approved the payment of dividend of 13 kobo per share amounting to N1,331,528,693.43, (2021:N716,976,989) on the outstanding ordinary share of 10,242,528,411 shares of 50 kobo each for the year ended 31 December 2022. This is subject to shareholders declaration of same as final dividend at the next Annual General Meeting (AGM). Withholding tax at the applicable rate will be deducted at the time of payment.

8. Share capital

The issued and fully paid shares of 50 kobo each of the Company as at 31 December 2022 were beneficially held as follows:

Issued	2022	2021	2022	2021
	N '000	N '000	Percentage of shares	
Transnational Corporation Plc	7,800,070	7,800,070	76.16 %	76.16 %
Ministry of Finance Incorporated	1,131,165	1,131,165	11.04 %	11.04 %
Other Shareholders	1,311,293	1,311,293	12.80 %	12.80 %
	10,242,528	10,242,528	100%	100%

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

Range	No. of Holders	Percentage %	Holdings	Percentage %
1-999	502	26.76%	90,062	0.00%
1000- 9,999	863	46.00%	2,091,897	0.02%
10,000 - 99,999	398	21.22%	8,805,321	0.09%
100,000 - 999,999	91	4.85%	16,415,174	0.16%
1,000,000 - 9,999,999	14	0.75%	37,560,135	0.37%
10,000,000 - 99,999,999	1	0.05%	10,000,000	0.10%
100,000,000 - 999,999,999	5	0.27%	1,236,330,806	12.07%
Above 1,000,000,000	2	0.11%	8,931,235,016	87.20%
Total	1,876	100%	10,242,528,411	100%

Shareholder Structure as at 31 December 2022

Holder Type	Holder count	Holdings	Percentage %
Individual	1,805	260,331,069	2.54%
Government	1	1,131,165,000	11.04%
Corporate	53	8,849,890,240	86.40%
Foreign	10	1,073,519	0.01%
Joint	7	68,583	0.00%
Total	1,876	10,242,528,411	100.00

Share Capital History

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

Dates	Authorised (N)		Issued & Fully Paid-up		Consideration
	Increase/ (Decrease) (N)	Cumulative (N)	Increase (N)	Cumulative (N)	
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
*31/12/2022	(4,757,471,589)	10,242,528,411	-	10,242,528,411	Shares cancellation

*In line with Section 124 of CAMA which requires companies with unissued shares in their capital structure to fully issue or cancel such unissued shares not later than 31 December 2022, the shareholders elected the option of the cancellation of Transcorp Hotels Plc's 4,757,471,589 unissued shares.

9. Substantial Interest in Shares

According to the register of members as at 31 December 2022, the following had more than 5% shareholding in the Company:

	Holdings	%
Transnational Corporation Plc	7,800,070,016	76.16
Ministry of Finance Incorporated	1,131,165,000	11.04

10. Property, plant and equipment

Information relating to movement in property, plant & equipment is shown in Note 18 to the consolidated financial statements. In the opinion of the Directors, the market values of the Group and Company's properties are not less than the value shown in these financial statements.

11. Employment and Employees

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

a) Employment of Physically Challenged Persons

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

b) Health, Safety and Environment

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

c) Employees Development, Training and Engagement

The Group places a high premium on the development of its manpower and consults with employees on matters affecting their wellbeing. In the year 2022, formal classroom, onsite and offsite trainings, as well as online training

courses were deployed in training and re-training all staff at various levels. The Group's skill base has been extended by a range of training provided to the employees, whose opportunity for career development within the Group has been enhanced.

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

12. Donations

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

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

	2022	2021
Daughters of Charity food supply	4,077,203	3,482,439
Sewing Machine & accessories for Ace charity	1,033,620	-
Coalition of Orphanages & Children Home in Nig	108,576	-
Donation of Items for Aged (CRS initiative)	-	303,900
	5,219,399	3,786,339

13. Securities Trading Policy

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

14. Complaint Management Procedure

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

15. Risk Management Policy and Practices

The Group has an Enterprise Risk Management Framework, which sets out the governance structure, process and policy requirements for the consistent management of risk. The 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 risks 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.

16. Fines and Penalties

During the year, the Company paid a penalty fee for the change of use of right issue. The total amount was N2,750,000 to the Securities and Exchange Commission..

17. 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.

	Group		Company	
	2022 N '000	2021 N '000	2022 N '000	2021 N '000
Amount owed to related parties				
Transnational Corporation Plc	4,685,850	5,058,564	4,685,850	5,058,564
Trans Afam Power Limited	-	17,847	-	17,847
Transcorp Power Limited	8,199,672	7,091,305	8,199,672	7,091,305
	12,885,522	12,167,716	12,885,522	12,167,716
Amount owed from related parties				
Aura by Transcorp Hotels Limited	-	-	273,927	107,359
Transcorp Hotels Calabar Limited	-	-	462,500	387,011
Trans Afam Power Limited	37,477	-	37,477	-
	37,477	-	773,904	494,370
Allowance for expected credit loss	-	-	(553)	-
Balance	37,477	-	773,351	494,370

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. No guarantees were provided or received for any related party receivables or payables.

Related party borrowings:

Included in the amount due to Transcorp Power is N7.6bn loan at an average interest rate of 13%.

Likewise, included in the amount due from Transcorp Hotels Calabar is N235mn loan and due from TransAfam Power Ltd is N37mn at an average interest rate of 11.5%.

18. Other Terms

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

19. Events After the Reporting Date

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

20. Terms of Re-appointment of the Auditors

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

Signed on behalf of the Board of Directors By:



Mrs. Funmi Olofintuyi

FRC/2022/PRO/NBA/002/316763

Acting Group Company Secretary

16 February 2023

Sustainability Report

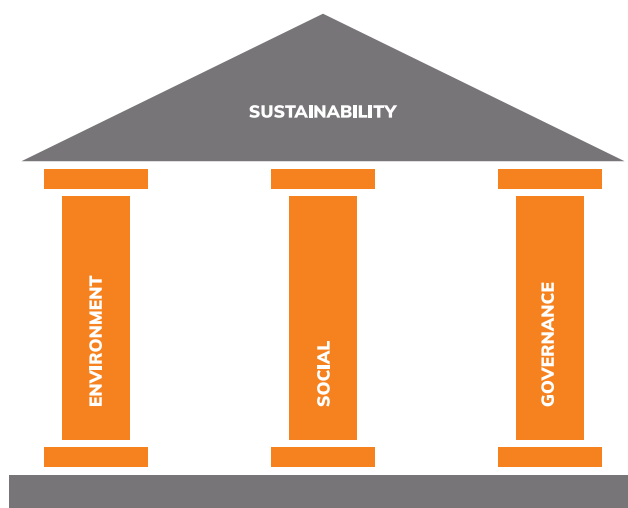


At Transcorp Hotels Plc, our strategy remains to Transform Our World, by creating a positive environmental, social, and economic impact across our business and the Communities in which we operate.

Amidst global and local challenges, we continued to accelerate our sustainability efforts in 2022. We strived for continuous improvement within all our processes, thus building long-term value for society and shareholders.

Our 2022 Sustainability Report reflects our journey over the last year across the Environment, Social and Governance (ESG) Pillars.

TRANSCORP HOTELS PLC



Sustainability is an integral part of our strategic framework for transformational growth upon which our medium to long term success is hinged.

GOVERNANCE

At Transcorp Hotels Plc, we are committed to a system of checks and balances within the Board, management and investors aimed at creating an efficiently functioning Organization geared towards delivering long-term value.

Our diverse Board of Directors oversee the direction of our Company. The Board, comprising six (6) Non-Executive Directors, one (1) Independent Non-Executive Director and one (1) Executive Director with varied experiences and expertise relevant to the Business.

In 2022, following the Company's Corporate Governance evaluation, Transcorp Hotels Plc moved up on the rating scale from a level 3 (Normalised) to a level 4 (Established), demonstrating our unwavering dedication to sound governance practices, adequate risk management and compliance to all applicable laws and regulations.

Executive Management Committee (EMC)

The Company has in place an EMC responsible and accountable for the execution of the strategy and direction from the Board. They are guided by a Charter approved by the Board and meet bi-weekly to ensure proper oversight.

Enterprise Risk Management (ERM)

Risk Management remains a priority in Transcorp Hotels Plc for business operations and decision making. A comprehensive ERM Framework is in place which provides a robust approach to the identification, assessment and treatment of risk within the Company's risk appetite.

Annually an independent third-party risk assessment is performed to identify the economic, social and environmental topics that matter most to our business and our stakeholders. This enables the Company to make data-driven decisions and ensures that sustainability issues are incorporated into the risks and opportunities being considered across Transcorp Hotels Plc.

Ultimate Responsibility for Risk Management lies with the Board of Directors, supported by a committee dedicated to Risk (Finance & Investment Committee). This Committee is responsible for approving risk management policies, associated amendments and the management of risk identified during the course of our business.

Governance Policies

To ensure our continued commitment to good governance practices, Transcorp Hotels Plc has put in place various policies, procedures and avenues to enable staff and other stakeholders report any unethical activity affecting it. Some of which include a Code of Conduct and Business Ethics Policy, dedicated whistleblowing channels:

- Email whistleblower@transcorphotelsplc.com
- Hotline: 09133624480

Complaint Management reporting via the Company's website on info@transcorphotelsplc.com

In the year 2022, four (4) policies were revised and approved by the Board. They include:

- Human Resources Policy
- Corporate Social Responsibility Framework
- Procurement Policy
- Executive Management Charter

Stakeholder Engagement

As a corporate governance-focused Company, we understand that a transparent and effective decision-making process can only be achieved with the input and support of from our stakeholders. Thus, the Company has various platforms for stakeholder engagement and interaction, some of which are listed below:

STAKEHOLDER ENGAGEMENT		
Shareholders and Investors - Annual General Meeting - Annual Report - Company Website - NGX and SEC Websites - Complaints Management System - Media Parleys - Investor Calls	Suppliers and Business Partners - Meetings - Site Visits - Whistleblowing reporting mechanism	Employees - Townhall Meetings - Newsletters - Team bonding and knowledge sessions - Whistle blowing reporting mechanism
Community - Corporate Social Responsibility Activities - Partnerships	Government and Regulatory Authorities - Courtesy visits - Remittances - Engagement on Policies - Letters and Formal Emails	Media - One-on-One meetings - Emails - Press Release - Conferences and Interviews - Social Media Articles - Media Parleys

In 2022, the Company engaged in a Fact Behind the Figures Session at the Nigerian Exchange Group (NGX).

Our People - Employees

Our people remain at the centre of everything that we do. The Company comprises a diverse group where 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.

The ability to deliver as a team through the embodiment of our culture (Excellence, Execution and Enterprise) remains the driving force for our sustained growth. In 2022, we sought opportunities to further achieve gender balance across job functions and roles.

We operate a non-discriminatory policy 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.

Transcorp Hotels Plc encourages the participation of its employees in arriving at decisions in respect of matters affecting their well-being through various forums such as town hall meetings, surveys, open office policy and training initiatives.

We recognise the role of training in sustainable development, hence, training is carried out at various levels, through in-house, on-the-job, community of practice, local and international courses annually.

Our People - Vendors and Suppliers

The Company has an inclusive, up-to-date and comprehensive procurement policy to ensure fair dealings and trade relationships with all its vendors and suppliers.

Our interactive and inclusive policies enhance our corporate responsibility through continuous interaction with our suppliers and help them improve their sustainability and quality standards.



We integrate sustainability criterion into our purchasing decisions and commercial activities.

Our People – Guest and Customers

A great Customer Experience and Loyalty remain critical to the success of our business; hence, Transcorp Hotels Plc continues to train its people, taking active steps to “make it right the first time” focusing on the Kaizen principle of Continuous improvement.

In 2022, proactive steps (such as mystery shopper programmes) were taken to ensure that we remain on top of potential guest complaints.

SOCIAL

As part of our sustainability goal, Transcorp Hotels Plc has continued to bolster existing Corporate Social Responsibility (CSR) Initiatives and explore new avenues to enrich the lives of the communities in which it operates. Below are some of the activities we have engaged in 2022 across all our businesses.

Community Impact & Empowerment

- Driven by the desire to tackle unemployment in the Community, the “Business Empowerment Programme for Women (BEPW)” was born. The program is aimed at empowering women with basic sewing, business, accounting and management skills necessary to establish and manage their own businesses. At the end of each program, beneficiaries are provided with sewing machines to kick-start their entrepreneurial journey.

In 2022, eight (8) women were empowered in the fashion business.

- We have sustained monthly donations (foodstuffs, bed linens, duvet covers and pillowcases) to the ‘Daughters of Charity’ Orphanage, Abuja.
- To celebrate, World Food Safety Day, our Hotels (Transcorp Hilton Abuja & Transcorp Hotels Calabar) hosted students



explaining the importance of food safety and hygiene.

- During the year, we supported Project Pink Blue, a non-governmental organization in Abuja that raises funds for cancer patients as well as awareness about cancer.
- To celebrate the World Autism Month, Transcorp Hilton Abuja provided a free solo art exhibition space for the artist Kanye (a talented kid living with autism).
- We sustained our support of the Abuja Metropolitan Music Society (AMEMUSO), an NGO that provides a platform for Nigerians to express their musical talents.

ENVIRONMENT

For us at Transcorp Hotels Plc, we believe we have a responsibility and vested interest in sustaining the environment. We believe, as Africa's leading hospitality brand, we believe our environment is our future and we have to save it. Therefore, in 2022, we embarked on the following environmentally-friendly initiatives:

- **The Soap for Hope Project:** A tripartite partnership between Transcorp Hilton Abuja, Diversey and ACE charity was launched in 2016 to recover used soap bars, recycle them and donate them to local communities. The aim of this program is to promote personal hygiene, prevent avoidable diseases and create awareness for **recycling and repurposing of soap waste**. Used soap are collected from the housekeeping team and recreational department, the collected soaps are then scraped, sanitized, flavoured and coloured and moulded into new exotic soap bars which are wrapped and distributed to pupils and students of government primary/secondary school and to indigenes of rural communities where soap is a luxury.

Since its inception, the Soap for Hope project has distributed over 3,200 soaps to the recipients of the program.

- **The Earth Week – Tree Planting Project:** Within the year, the Hotel embarked on Tree Planting Exercise in Abuja. (Shape Community School and LEA School Gwarimpa). Feeding into our sustainability goals to reduce ozone levels in urban areas.



• Waste Resource Management

We have sustained a partnership with Chanja Datti, a social enterprise that collects waste plastic and other recyclables like papers, glass bottles and supply to recyclers for use in the manufacture of other products. The hotel has in place 3 waste collectors to sort all recyclables from waste generated.



• Water: Save Every Drop

We continue to engage and train team members on water usage and installing water-efficient equipment such as low-flow shower heads and taps.



AWARDS AND RECOGNITIONS

As a testament to our 2022 performance, Transcorp Hotels Plc received the following awards across all its businesses:

STAKEHOLDER ENGAGEMENT

Transcorp Hotels Plc

- Most Outstanding Hospitality Brand of the Year
- Pearl Awards' Sectorial Leadership Award - Services (Hotels & Lodging)

Transcorp Hilton Abuja

- Trip Advisor's Traveler's Choice Award
- The Booking.com Traveler's Review Award
- Seven Stars Luxury and Lifestyle Awards for the Best Luxury Hotel in Nigeria and Best Luxury Business Hotel in Africa
- World Travelers Award
 - Africa's Leading Business Hotel, for the 8th Consecutive year
 - Nigeria's Leading Business Hotel
 - Nigeria's Leading Hotel Suite (the Presidential Suite)
 - Nigeria's Leading City Hotel

Transcorp Hilton Abuja and Zuma Grill Restaurant also won the World Luxury Hotel Awards for the Best Business Hotel in West & Central Africa, and Best Fine Dining Cuisine in Africa respectively.

Transcorp Hotels Calabar

- Best Event Hall Award and the Best Hotel Accommodation Awards from the Cross River State Tourism Bureau.
- The Best Safety Compliance Award from the Cross Rivers State Health and Safety Commission.

Aura By Transcorp Hotels

- Special Recognition Awards for Tourism Innovation at the Nigerian Tourism Awards.



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

February 2, 2023

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

The Board of Directors of Transcorp Hotels Plc. (Transcorp Hotels or the Company) engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2022, in line with the requirements of Principle 14 of the Financial Reporting Council's Nigerian Code of Corporate Governance (NCCG). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against principles in the NCCG, Securities and Exchange Commission Corporate Governance Guidelines (SCGG), the Company's corporate governance framework, as well as global best practice.

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

The Chairman provides effective leadership to the Board to ensure that the Company's strategic objectives are met and plays a lead role in the assessment, improvement, and development of the Board. He also provides guidance to the MD/CEO in the discharge of her duties.

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

The Board and its Committees are composed of seasoned professionals with a wealth of experience committed to the long-term success of the Company. It is a forward-thinking and cohesive Board, with an appropriate balance of skills and diversity including experience, age, and gender. 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 continues to demonstrate a commitment to maintaining strong corporate governance systems in line with global best practice. Its corporate governance framework is established, and the Company has substantially applied the 28 principles of the NCCG.

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

A handwritten signature in red ink, appearing to read 'Angela Aneke', is positioned above the printed name.

Angela Aneke
Managing Director
FRC/2013/IODN/00000002473

February 2, 2023

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

The Board of Directors of Transcorp Hotels Plc. (Transcorp Hotels or the Company) engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2022, in line with the requirements of Principle 15 of the FRC's Nigerian Code of Corporate Governance (NCCG). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

The criteria for our review and report are benchmarked against principles in the NCCG, Securities and Exchange Commission Corporate Governance Guidelines (SCGG), the Company's corporate governance framework, as well as global best practice.

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

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

An effective 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 whistleblowing framework for reporting illegal and unethical behavior is also in place. In 2022, the Company remained committed to sustainability and acted as a responsible citizen by embarking on several corporate social responsibility activities.

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

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



Angela Aneke
Managing Director
FRC/2013/IODN/00000002473

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

The Board of Directors of Transcorp Hotels Plc ("Transcorp Hotels" or the "Company") acknowledge the importance of Environment, Social and Governance ("ESG") activities as a driver of long-term value creation and business sustainability.

In accordance with the provisions of Section 28.8 of the Nigerian Code of Corporate Governance 2018, we, the Board of Directors of Transcorp Hotels, hereby report on the ESG activities of the Company for the year ended 31 December 2022.

ESG issues are considered a business imperative and remain at the core to the Company's strategy and philosophy, "Transform our World". In 2022, the Company revised its sustainability commitment statement to, ***"creating positive environmental, social and economic impact across our businesses and communities"*** emphasizing Transcorp's priority as a business.

We embarked on ESG activities focused on Climate & Environment; Diversity & Inclusion; Community Impact & Empowerment; Wellness, Health & Safety; and Corporate Governance & Strategy. Details of these activities can be found in the Sustainability Report found on page 58 of this report.

Transcorp Hotels has established, comprehensive governance, internal control, compliance, internal audit and risk management programs that provide comfort on the effectiveness, transparency and efficiency of processes and procedures. As a Company, we remained 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 Company geared towards delivering long-term value.

Stakeholder engagement remains critical to the success of our business. We have sustained engagement with our stakeholders in the year, through regulatory remittances, fact behind the figure sessions, media parleys and unrestricted access to the company's website, help desk numbers and office premises.

Thank you.



Emmanuel N. Nnorom

Chairman, Board of Directors

FRC/2014/ICAN/00000007402

STATEMENT OF DIRECTORS' RESPONSIBILITIES

In accordance with the provisions of Sections 377 and 378 of the Companies and Allied Matters Act 2020 (CAMA), the Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Group and of the profit or loss for the period ended 31 December 2022, and in so doing they ensure that:

- Proper accounting records are maintained;
- Applicable accounting policies are adopted and consistently applied;
- Judgments and estimates made are reasonable and prudent;
- The going concern basis is used, unless it is inappropriate to presume that the Company will continue in business; and

Internal control procedures are instituted which as far as reasonably possible, safeguard the assets of the Group and prevent and detect fraud and other irregularities.

The Directors accept responsibility for the annual consolidated financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards (IFRS) and the requirements of CAMA.

The Directors are of the opinion that the 2022 Consolidated Financial Statements give a true and fair view of the state of the financial affairs of the Company and Group.

The Directors accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate systems of internal control.

Nothing has come to the attention of the Directors to indicate that the Company and its subsidiaries will not remain going concerns for at least twelve months from the date of this statement.

SIGNED ON BEHALF OF THE DIRECTORS:



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



Mrs. Dupe Olusola
Managing Director/CEO
FRC/2020/003/0000002104

CERTIFICATION OF FINANCIAL STATEMENTS

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

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

We state that Management and Directors:

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We have disclosed:

- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group's ability to record, process, summarise and report financial data, and has identified for the Group's auditors any material weaknesses in internal controls, and
- (ii) whether or not, there is any fraud that involves management or other employees who have a significant role in the Group's internal control; and
- (iii) as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Group for the year ended 31 December 2022 were approved by the Directors on 16th February 2023.



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



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

Report of the Statutory Audit Committee

For the year ended 31 December 2022

To the members of Transcorp Hotels Plc

In accordance with the provisions of Section 404(7) of the Companies and Allied Matters Act 2020, we, the members of the Audit Committee of Transcorp Hotels Plc ("the Company"), hereby report that:

- (a) The accounting and reporting policies of the Company for the year ended 31 December 2022 are consistent with legal requirements and ethical practices;
- (b) The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems;
- (c) The scope and planning of the statutory independent audit for the year ended 31 December 2022 are satisfactory; and
- (d) We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at Transcorp Hotels Plc.



Mr. Akaninyene Obot

FRC No. FRC/2013/ICAN/00000004721

Dated this 16th day of February 2023

Members of the Statutory Audit Committee

- | | | | |
|----|-----------------------|---|----------|
| 1. | Mr. Akaninyene Obot | - | Chairman |
| 2. | Mr. Eric Akinduro | - | Member |
| 3. | Mr. Erifolami Gafar | - | Member |
| 4. | Mr. Peter Elumelu | - | Member |
| 5. | Ms. Bolanle Onagoruwa | - | Member |



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholder's of Transcorp Hotels Plc

Deloitte.

P. O. Box
3710
Garki
Abuja
Nigeria

Deloitte & Touche
BOI House, 4th Floor
Plot 256 Zone AO Cadastral
Off Herbert Macaulay Way
Behind Unity Bank Hqs
Central Business District
P. O. Box 3710 Garki
Abuja
Nigeria

Independent Auditor's Report

To the Shareholders of Transcorp Hotels Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Transcorp Hotels Plc and its subsidiaries (the Group and Company) set out on pages 76 to 159 which comprise the consolidated and separate statements of financial position as at 31 December 2022, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of Transcorp Hotels Plc as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 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 the 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, is 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.



List of partners and partner equivalents available on the website
Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited



Key Audit Matter	How the matter was addressed in the audit
Key Audit Matter Assessment of Goodwill impairment The Group has a goodwill balance of N1.975billion, which principally relates to the 100% acquisition of Transcorp Hotels Calabar Limited on 30 September 2012. The asset is not amortised but tested for impairment annually. Goodwill was calculated as the difference between the purchase consideration for the 100% interest in Transcorp Hotels Calabar and the net assets of the acquired Company. 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 arrived at by using the fair value less costs of disposal approach. To establish the fair value, the Company engaged an external valuer who determined the fair value of the property, plant and equipment, based on the valuation assumptions as stated on Note 21 and deemed the fair value of other assets and liabilities to be same as their carrying amount as they will be recovered and settled at the carrying amounts respectively. 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 in estimating the recoverable amount. Accordingly, the impairment test of goodwill is considered a key audit matter due to the impact of the assumptions stated in Note 21.	How the Matter was addressed in the audit To determine the appropriateness of the management assumptions, methodology 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 property, plant and equipment (PPE) of Transcorp Hotels Calabar • Independently engaged a valuation expert who carried out a valuation of the property, plant and equipment (PPE) of Transcorp Hotels Calabar to challenge management expert's assumptions and methodologies used in determining the recoverable amount for the impairment testing. • Agreed the balances for other operating assets and liabilities used in the fair value assessment to the audited financial statements of Transcorp Hotels Calabar. • Reviewed management assumptions used to determine the estimated cost of disposal. • Assessed ranges in the cost of disposal used by the management to determine variation in recoverable value and ascertain if impairment exists. • Assessed the sufficiency and appropriateness of the disclosures in the financial statement with respect to the goodwill impairment assessment and the sensitivity analysis. The method of valuation and assumptions used by the management's expert are disclosed in Note 21 of the consolidated and separate financial statements. On the basis of the evidence obtained from our audit, we consider the valuation method and the underlying assumptions to be an appropriate and reasonable basis for the impairment testing of goodwill. Based on assessment, we concur with management conclusion that the goodwill is not impaired

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

Deloitte

Other Information

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

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act, 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.
- 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.

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- 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, 2020 we expressly state that:

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



Ngozi Emeke-Eze, FCA
FRC/2013/ICAN/00000001817
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
1 March 2023



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

FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
		Note	2022 N'000	2021 N'000	2022 N'000
Revenue	9.	31,441,914	21,417,676	30,432,720	20,558,761
Cost of sales	10.	(9,052,257)	(5,512,699)	(8,701,653)	(5,212,248)
Gross profit		22,389,657	15,904,977	21,731,067	15,346,513
Other operating income	11.	969,243	909,383	994,739	270,053
Impairment (losses)/gains on financial assets	13.	(64,273)	20,224	(75,378)	22,947
Operating expenses	14.	(14,634,847)	(11,103,710)	(13,691,138)	(10,462,859)
Operating profit		8,659,779	5,730,874	8,959,290	5,176,654
Finance costs	12.	(4,141,497)	(4,072,562)	(4,141,497)	(4,072,562)
Finance income	12.	8,721	4,299	33,240	7,630
Profit before tax		4,527,003	1,662,611	4,851,033	1,111,722
Income tax	16.	(1,909,109)	(545,295)	(1,771,501)	(537,347)
Profit for the year		2,617,894	1,117,316	3,079,532	574,375
Total comprehensive income for the year		2,617,894	1,117,316	3,079,532	574,375
Profit for the year attributable to:					
Owners of the Company		2,677,730	1,143,925	3,079,532	574,375
Non-controlling interests		(59,836)	(26,609)	-	-
		2,617,894	1,117,316	3,079,532	574,375
Earnings per share					
Basic earnings per share (kobo)	17.	26	11	30	6
Diluted earnings per share (kobo)	17.	26	11	30	6

The accounting policies on pages 82 to 104 and the notes on pages 105 to 159 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
Assets					
Non-current assets					
Property, plant and equipment	18.	107,971,345	103,979,889	93,369,335	91,173,701
Investment property	19.	-	-	1,717,765	1,695,000
Goodwill	21.	1,974,756	1,974,756	-	-
Intangible assets	20.	158,856	158,605	119,265	137,465
Investment in subsidiaries	8.	-	-	3,529,841	3,529,841
Investment in financial asset	26.	300,075	-	300,075	-
Long term receivables	36.1	-	-	8,418,588	6,753,736
Deferred tax assets	16.	-	132,556	-	-
		110,405,032	106,245,806	107,454,869	103,289,743
Current assets					
Inventories	23.	616,624	619,523	529,871	570,208
Trade and other receivables	24.	3,220,475	2,636,602	3,793,545	2,926,130
Prepayments	25.	1,062,154	1,422,337	1,036,980	1,404,657
Cash and bank balances	27.	5,183,097	4,965,458	5,101,419	4,765,806
		10,082,350	9,643,920	10,461,815	9,666,801
Total assets		120,487,382	115,889,726	117,916,684	112,956,544
Equity and Liabilities					
Equity					
Share capital	28.	5,121,264	5,121,264	5,121,264	5,121,264
Share premium	28.	12,548,859	12,548,859	12,548,859	12,548,859
Retained earnings		45,207,011	44,577,786	45,378,512	44,347,486
Equity attributable to Owners of the Company		62,877,134	62,247,909	63,048,635	62,017,609
Non-controlling interests		(87,520)	(27,684)	-	-
Total equity		62,789,614	62,220,225	63,048,635	62,017,609
Liabilities					
Non-current liabilities					
Borrowings	22.	16,113,199	16,448,964	16,113,199	16,448,964
Deferred income	30.	1,544,322	2,005,878	1,544,322	2,005,878
Contract liabilities	31.	2,139,555	2,333,370	2,139,555	2,333,370
Deposit for shares	34.	2,410,000	2,410,000	-	-
Defined benefit liability	37.	161,705	-	161,705	-

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION (CONT'D)

AS AT 31 DECEMBER 2022

	Note	Group		Company	
		2022 N'000	2021 N'000	2022 N'000	2021 N'000
Deferred tax liability	16.	6,023,475	4,841,445	6,023,475	4,841,445
		28,392,256	28,039,657	25,982,256	25,629,657
Current liabilities					
Trade and other payables	32.	20,125,593	17,606,939	19,710,927	17,291,083
Current tax liabilities	16.	594,493	166,500	589,440	161,790
Contract liabilities	31.	258,284	152,820	258,284	152,820
Borrowings	22.	7,846,378	7,252,926	7,846,378	7,252,926
Deferred income	30.	447,756	450,659	447,756	450,659
Defined benefit liability	37.	33,008	-	33,008	-
		29,305,512	25,629,844	28,885,793	25,309,278
Total liabilities		57,967,768	53,669,501	54,868,645	50,938,935
Total equity and liabilities		120,487,382	115,889,726	117,916,684	112,956,544

The Consolidated and Separate Financial Statements on pages 76 to 159 were approved by the Board of Directors on the 16th of February 2023 and were signed on its behalf by:

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

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

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

The accounting policies on pages 82 to 104 and the notes on pages 105 to 159 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2022

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total attributable to owners of the parent N'000	Non- controlling interests N'000	Total equity N'000
Group						
Balance at 1 January 2021	5,121,264	12,548,859	43,433,861	61,103,984	(1,075)	61,102,909
Profit for the year	-	-	1,143,925	1,143,925	(26,609)	1,117,316
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	1,143,925	1,143,925	(26,609)	1,117,316
Dividends	-	-	-	-	-	-
Total contributions by and distributions to Owners of Company	-	-	-	-	-	-
Balance at 31 December 2021	5,121,264	12,548,859	44,577,786	62,247,909	(27,684)	62,220,225
Balance as at 1 January 2022	5,121,264	12,548,859	44,577,786	62,247,909	(27,684)	62,220,225
Profit for the year	-	-	2,677,730	2,677,730	(59,836)	2,617,894
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	2,677,730	2,677,730	(59,836)	2,617,894
Dividends for 2021	-	-	(716,977)	(716,977)	-	(716,977)
Dividends for 2022	-	-	(1,331,529)	(1,331,529)	-	(1,331,529)
Total contributions by and distributions to Owners of Company	-	-	(2,048,506)	(2,048,506)	-	(2,048,506)
Balance at 31 December 2022	5,121,264	12,548,859	45,207,011	62,877,134	(87,520)	62,789,614

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY (CONT'D)

AS AT 31 DECEMBER 2022

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total attributable to owners of the parent N'000	Non- controlling interests N'000	Total equity N'000
Company						
Balance at 1 January 2021	5,121,264	12,548,859	43,773,111	61,443,234	-	61,443,234
Profit for the year	-	-	574,375	574,375	-	574,375
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	574,375	574,375	-	574,375
Dividends	-	-	-	-	-	-
Total contributions by and distributions to Owners of Company	-	-	-	-	-	-
Balance at 31 December 2021	5,121,264	12,548,859	44,347,486	62,017,609	-	62,017,609
Balance at 1 January 2022	5,121,264	12,548,859	44,347,486	62,017,609	-	62,017,609
Profit for the year	-	-	3,079,532	3,079,532	-	3,079,532
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	3,079,532	3,079,532	-	3,079,532
Dividends for 2021	-	-	(716,977)	(716,977)	-	(716,977)
Dividends for 2022	-	-	(1,331,529)	(1,331,529)	-	(1,331,529)
Total contributions by and distributions to Owners of Company	-	-	(2,048,506)	(2,048,506)	-	(2,048,506)
At 31 December 2022	5,121,264	12,548,859	45,378,512	63,048,635	-	63,048,635

The accounting policies on pages 82 to 104 and the notes on pages 105 to 159 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		Group		Company	
	Note	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Operating activities					
Cash generated from operations	33.	11,635,117	5,983,284	9,797,629	5,673,291
Income taxes paid	16.	(166,530)	(309,187)	(161,821)	(302,210)
Net cash from operating activities		11,468,587	5,674,097	9,635,808	5,371,081
Investing activities					
Interest received	12.	8,721	4,299	33,240	7,630
Equity Investment acquired	26.	(300,075)	-	(300,075)	(60)
Proceeds from sale of property, plant and equipment	11.	1,524	25,459	1,317	25,459
Purchase of property, plant and equipment	18.	(6,585,550)	(798,270)	(4,674,165)	(668,765)
Purchase of intangible asset	20.	(32,653)	(68,748)	(10,218)	(45,799)
Net cash used in investing activities		(6,908,033)	(837,260)	(4,949,901)	(681,535)
Financing activities					
Proceeds from borrowings	22.	2,000,000	11,327,329	2,000,000	11,327,329
Repayment of borrowings	22.	(2,717,032)	(9,874,585)	(2,717,032)	(9,874,585)
Interest paid		(3,310,532)	(4,899,750)	(3,310,532)	(4,899,750)
Dividends paid		(716,977)	-	(716,977)	-
Net cash used in financing activities		(4,744,541)	(3,447,006)	(4,744,541)	(3,447,006)
Net (decrease)/increase in cash and cash equivalents		(183,987)	1,389,831	(58,634)	1,242,540
Cash and cash equivalents at beginning of year		3,184,233	1,818,257	2,984,581	1,776,138
Effect of foreign exchange rate changes		257,871	(23,855)	250,492	(34,097)
Cash and cash equivalents at end of year	27.	3,258,117	3,184,233	3,176,439	2,984,581

The accounting policies on pages 82 to 104 and the notes on pages 105 to 159 form an integral part of the consolidated and separate financial statements.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2022

1. Corporate information

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

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

The ultimate parent of the Company is Transnational Corporation Plc. with 76.16% (2021:76.16%) shareholdings.

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

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

The consolidated and separate financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 16 February 2023.

2. Significant Accounting Policies

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

2.1 Basis of preparation

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

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

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

These accounting policies are consistent with the previous year.

Going Concern

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

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

2.2 Segmental Reporting

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

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

2.3 Consolidation

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

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

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

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

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

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 off 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 re-measured, 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's 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

Goodwill is determined as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

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.

Impairment of Goodwill

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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

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

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

External valuers are involved for valuation of significant assets, such as investment properties. The Group 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.

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
- Accommodation and experience
- 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.

Food and beverages

The Group sells food and beverages to hotel guests and visitors. 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.

Acommodation and Experiences

The Group generates revenue from commissions on accommodation and experiences sold on the Aura platform. Hosts and hospitality enthusiasts, markets and sells accommodation to guests in their apartment suites, hotels and experiences like tours, photography, restaurant, etc.

Other services

The Group generates revenue from other streams such as secretarial services, recreational services, service charge, shop rental and other operating services. Revenue from rendering these services is recognised over time with the exception of secretarial services and service charge. For the revenue recognised over time, the Group uses the output method in measuring progress for the provision of the amenities because time elapsed. This faithfully depicts the entity's performance towards complete satisfaction of the performance obligation.

A flat rate service charge is included in the consideration expected from the customer. A portion of this (10%) is earned by the company and the balance is paid to the staff.

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.

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.

Contract balances

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. (See Note 32.1)

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

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

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

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group.

Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

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

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

Item	Useful Life
Freehold Land	Not depreciated
Building	5 - 50 years
Plant & Machinery	3 - 25 years
Motor Vehicle	2 - 5 years
Computer Equipment	2 - 10 years
Furniture & Fittings	2 - 15 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.

2.10 Property, plant and equipment

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

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

Company as lessor

The Company enters into lease agreements as a lessor with respect to some of its investment property.

Leases for which the Company 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.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

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 from the use of the underlying asset are diminished. Rental lease income is included in other operating income.

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.

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

Item	Amortisation 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, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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 assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

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.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)

- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if either:

- It has been acquired principally for the purpose of repurchasing it in the near term
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if either:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- It forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for trading, or (iii) designated as at FVTPL, are measured subsequently 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.

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 24).

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).

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.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group 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 consider 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 12.)

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 32), 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 12).

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 valued 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 Non-Financial 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 34.

2.19 Employee benefits

Short-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

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.

Other long-term employee benefits

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

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

- the cost of the additional benefits that members accrue during the year based on projected benefit at future payment date (current service cost) (see note 15);
- plus net interest on the net liability, i.e.:
 - interest cost on the accrued defined benefit obligation
 - interest income on the fair value of plan assets (if any)
- plus or minus the amount required to recognise actuarial losses or gains for other long term benefits type of plans pursuant with IAS 19 (revised 2011) provisions.

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

- the deficit in the plan; (see note 37)
- plus the effect of asset ceiling, if applicable.

Remeasurements of the net defined benefit liability (asset), to be recognised in other comprehensive income, comprises of:

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

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

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

2.20 Deferred Income

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

The difference between the transaction price and the valuation amount, commonly referred to as 'day one gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised. The Group's day one gains are attributable to loans and advances from Bank of Industry. (see note 29.)

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:

Investment Property Valuation

The Group valued its investment property in the open market using the Depreciated Replacement Cost method of valuation. This method of valuation 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 an allowance for depreciation to account for age, wear and tear and obsolescence, where applicable.

The basis of valuation is the Market Value, that is the price, which an interest in a property might reasonably be expected to realize in a sale by Private Treaty assuming:

- a. a willing buyer;
- b. a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
- c. values will remain static throughout the period;
- d. the property will be freely exposed to the market;

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 Honours- customer loyalty program

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

- 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 90% 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 forwardlooking 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

4 New Standards and Interpretations

4.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2022. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

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

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

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

The Group has adopted the amendments to IAS 37 for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

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

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

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

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

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

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

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

- 1) IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance Contracts
- 2) Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- 3) Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- 4) Amendments to IAS 1 and IFRS - Disclosure of Accounting Policies
- 5) Amendments to IAS 8 Definition of Accounting Estimates
- 6) Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17

(incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

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

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

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendment is to be determined by the IASB, however earlier application of the amendment is permitted. It is unlikely that the amendment will have a material impact on the group's consolidated and separate financial statements.

Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent

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

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

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted. The IASB is currently considering further amendments to the requirements in IAS 1 on classification of liabilities as current or non-current, including deferring the application of the January 2020 amendments.

The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements—Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

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

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted.

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

Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted.

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

5. Segment information

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

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

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

	For the year ended 31 December 2022			
	Company		Group	
	Transcorp Hotels Calabar Limited N'000	Transcorp Hotels Plc N'000	Other Segments N'000	Transcorp Hotels Plc N'000
Segments by entity				
Rooms	524,792	19,151,138	-	19,675,930
Food & Beverage	439,938	9,785,311	-	10,225,249
Shop rental	-	1,055,726	-	1,055,726
Service charge	11,803	89,018	-	100,821
Recreation Service	-	253,865	-	253,865
Secretarial Service	-	59,400	-	59,400
Accommodation and experiences	-	-	6,499	6,499
Other operating revenue	26,162	38,262	-	64,424
Total revenue from contracts with customers	1,002,696	30,432,719	6,499	31,441,914
Cost of Sales				
Rooms	(40,061)	(3,367,103)	-	(3,407,164)
Food and beverages	(252,710)	(4,851,662)	-	(5,104,372)
Other operating cost	(57,754)	(482,888)	(78)	(540,721)
Total Cost of Sales	(350,525)	(8,701,653)	(78)	(9,052,257)
Gross Profit	652,171	21,731,066	6,421	22,389,657
Other operating income *	7,324	994,739	12,210	969,243
Operating expenses	(766,676)	(13,766,521)	(165,927)	(14,699,120)
Operating (loss)/Income	(107,180)	8,959,285	(147,296)	8,659,779
Net finance cost	(24,519)	(4,108,257)	-	(4,132,776)
(Loss)/Profit before tax	(131,699)	4,851,033	(147,296)	4,527,003
Income tax	(137,608)	(1,771,501)	-	(1,909,109)
(Loss)/Profit after tax	(269,307)	3,079,532	(147,296)	2,617,894

* The total other operating income for the Group has factored in the elimination of **(1)** the fair value gain on Investment property which is transferred to Property, Plant, and Equipment, at cost, on consolidation, and **(2)** the lease income from the lease arrangement between Transcorp Hotels Plc (lessor) and Transcorp Hotels Port Harcourt (lessee). Hence, the total other operating income for the segments in the above does not equal the Group.

	Company		Group	
	Transcorp Hotels Calabar Limited	Transcorp Hotels Plc	Other Segments	Transcorp Hotels Plc
Assets:				
Property, plant and equipment	1,732,013	93,369,335	10,796,238	107,971,345
Right of use asset	-	-	51,455	-
Investment property	-	1,717,765	-	-
Goodwill	-	-	-	1,974,756
Other intangible assets	809	119,265	38,782	158,856
Investment in subsidiaries	-	3,529,841	-	-
Long term receivables	-	8,418,588	-	-
Deferred tax assets	-	-	-	-
Current Assets	329,624	10,461,816	37,944	10,082,349
Total assets	2,062,446	117,916,685	10,924,420	120,487,381
Equity and liabilities:				
Issued capital	7,690	5,121,264	12,100	5,121,264
Share premium	1,342,310	12,548,859	10,000	12,548,859
Non-Controlling Interest	-	-	-	(87,520)
Retained earnings	(186,485)	45,378,512	(314,725)	45,207,011
Total equity	1,163,515	63,048,635	(292,625)	62,789,614
Total liabilities	898,931	54,868,049	11,217,045	57,697,768
Total equity and liabilities	2,062,446	117,916,684	10,924,420	120,487,382

	For the year ended 31 December 2021			
	Company		Group	
	Transcorp Hotels Calabar Limited N'000	Transcorp Hotels Plc N'000	Other Segments N'000	Transcorp Hotels Plc N'000
Segments by entity				
Rooms	461,050	13,300,087	-	13,761,137
Food and beverages	345,560	6,124,282	-	6,469,842
Shop rental	-	823,269	-	823,269
Service charge	9,894	98,259	-	108,153
Recreation Service	-	142,548	-	142,548
Secretarial Service	-	38,379	-	38,379
Accommodation and experiences	-	-	546	546
Other operating revenue	41,865	31,937	-	73,802
Total revenue from contracts with customers	858,370	20,558,761	546	21,417,676
Cost of Sales				
Rooms	(36,775)	(1,797,380)	-	(1,834,155)
Food and beverages	(209,645)	(3,285,606)	-	(3,495,250)
Other operating cost	(54,031)	(129,262)	-	(183,294)
Total Cost of Sales	(300,451)	(5,212,248)	-	(5,512,699)
Gross Profit	557,919	15,346,513	546	15,904,977
Other operating income *	7,519	293,000	12,089	929,607
Operating expenses	(557,651)	(10,787,375)	(83,199)	(11,428,226)
Operating Profit/(Loss)	7,787	4,852,138	(70,564)	5,406,358
Net Finance Cost	(3,332)	(4,064,932)	-	(4,068,263)
Profit/(Loss) before tax	4,455	787,206	(70,564)	1,338,095
Income tax	(7,947)	(537,347)	-	(545,295)
(Loss)/Profit after tax	(3,493)	249,859	(70,564)	792,800

* The total other operating income for the Group has factored in elimination of the fair value loss on Investment property which is transferred to Property, Plant and Equipment at cost on consolidation. Hence the total other operating income for the segments in the above does not equal the Group.

	Company		Group	
	Transcorp Hotels Calabar Limited	Transcorp Hotels Plc	Other Segments	Transcorp Hotels Plc
Assets:				
Property, plant and equipment	1,586,184	91,173,701	9,065,788	103,979,889
Investment property	-	1,695,000	-	-
Goodwill	-	-	-	1,974,756
Other intangible assets	607	137,465	20,533	158,605
Investment in subsidiaries	-	3,529,841	-	-
Long term receivables	-	6,753,736	-	-
Deferred tax assets	132,556	-	-	132,556
Current Assets	455,219	9,666,801	17,272	9,643,920
Total assets	2,174,566	112,956,544	9,103,593	115,889,726
Equity and liabilities:				
Issued capital	7,690	5,121,264	12,100	5,121,264
Share premium	1,342,310	12,548,859	10,000	12,548,859
Non-Controlling Interest	-	-	-	(27,684)
Retained earnings	82,783	44,347,486	(125,505)	44,577,786
Total equity	1,432,783	62,017,609	(103,405)	62,220,225
Total liabilities	741,783	50,938,935	9,206,998	53,669,501
Total equity and liabilities	2,174,566	112,956,544	9,103,593	115,889,726

Other segments include the three other subsidiaries in the Group; Aura by Transcorp Hotels, 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 year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2022 and 2021.

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

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Borrowings (Note 22)	23,959,577	23,701,890	23,959,577	23,701,890
Less: cash and bank balance (Note 27)	(5,183,097)	(4,965,458)	(5,101,419)	(4,765,806)
Net debt	18,776,480	18,736,432	18,858,158	18,936,084
Total capital: Equity	62,789,614	62,220,225	63,048,635	62,017,609
Capital and net debt	81,566,094	80,956,657	81,906,793	80,953,693
Gearing ratio	30%	30%	30%	31%

6.2. Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Market risk (currency risk, interest rate risk and price risk);
- Credit risk; and
- Liquidity 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 is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

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.

Certain comparative disclosures have been represented to ensure compliance with current year reclassification.

6.2.1 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 procurement policy. 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 year.

Exposure in foreign currency amounts

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

	Group		Company	
	2022 '000	2021 '000	2022 '000	2021 '000
Cash and short term deposits				
a) USD	5,400	5,762	5,381	5,741
b) GBP	33	33	33	33
c) Euro	3	3	3	3
Trade and other payables				
a) USD	1,590	1,875	1,590	1,875
Interest bearing loans and borrowings				
a) USD	-	-	-	-

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 prior reporting year.

Group	2022	2022	2021	2021
Increase or Decrease in Rate	Increase	Decrease	Increase	Decrease
US Dollars 5% (2021:5%)	84,549	(84,549)	83,415	(83,415)
Euro 5% (2021:5%)	67	(67)	67	(67)
GB Pounds (2021:5%)	829	(829)	832	(832)
	85,445	(85,445)	84,314	(84,314)

Company	2022	2022	2021	2021
Increase or Decrease in Rate	Increase	Decrease	Increase	Decrease
US Dollars 5% (2021:5%)	84,284	(84,284)	82,867	(82,867)
Euro 5% (2021:5%)	67	(67)	67	(67)
GB Pounds (2021:5%)	829	(829)	832	(832)
	85,180	(85,180)	83,765	(83,765)

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.

6.2.2 Credit risk

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

(i) Risk management

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

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

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

Group	2022			2021		
	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value
Trade and other receivables	3,270,071	(49,596)	3,220,475	2,693,313	(56,711)	2,636,602
Cash and bank balances	5,183,097	-	5,183,097	4,965,458	-	4,965,458
	8,453,168	(49,596)	8,403,572	7,658,771	(56,711)	7,602,060

Company	2022			2021		
	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value	Gross Carrying Amount	Credit Loss Allowance	Amortised Cost/Fair Value
Trade and other receivables	3,839,585	(46,040)	3,793,546	2,955,082	(28,952)	2,926,130
Cash and bank balances	5,101,419	-	5,101,419	4,765,806	-	4,765,806
	8,941,004	(46,040)	8,894,964	7,720,888	(28,952)	7,691,936

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

(ii) Security

No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. However, some guests are required to provide security deposits for credit transactions while others are granted credit on the strength of their credibility and past performances. In the case of default, unpaid balances are set off against security deposit while others are referred to debt collection agents.

(iii) Impairment of trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 24. 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:

	Trade receivables - Group					
	Days past due					
	Current N'000	<30 days N'000	30-60 days N'000	61-90 days N'000	>91 days N'000	Total N'000
31-Dec-22						
Third party receivables						
Expected credit loss rate	1.73%	3.30%	7.28%	8.78%	5.87%	
Estimated total gross carrying amount at default	520,340	288,407	271,507	79,388	74,610	1,234,253
Expected credit loss	8,983	9,507	19,754	6,974	4,378	49,596
31-Dec-21						
Third party receivables						
Expected credit loss rate	1.69%	2.47%	5.34%	7.18%	19.39%	
Estimated total gross carrying amount at default	372,075	275,671	85,023	99,648	164,748	997,166
Expected credit loss	6,277	6,802	4,538	7,150	31,945	56,711

	Trade receivables - Company					
	Days past due					
	Current N'000	<30 days N'000	30-60 days N'000	61-90 days N'000	>91 days N'000	Total N'000
31-Dec-22						
Third party receivables						
Expected credit loss rate	1.75%	3.21%	7.28%	9.02%	20.04%	
Estimated total gross carrying amount at default	471,802	283,965	270,720	75,663	8,002	1,110,153
Expected credit loss	8,240	9,107	19,710	6,826	1,604	45,486

31-Dec-21	Current	<30 days	30–60 days	61–90 days	>91 days	Total
Third party receivables						
Expected credit loss rate	1.68%	2.43%	5.61%	7.07%	5.21%	
Estimated total gross carrying amount at default	370,929	265,271	74,623	100,035	96,143	907,002
Expected credit loss	6,235	6,447	4,184	7,075	5,013	28,952

Reconciliation of Loss Allowances on Third Party Receivables

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

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
As at 1 January	56,711	73,602	28,952	48,645
Charge for the year/(Provisions reversed)	64,273	(20,224)	74,825	(22,947)
Write-off	(71,388)	3,333	(58,291)	3,254
As at 31 December	49,596	56,711	45,486	28,952

Related party receivables (Note 24.2)

	2022 N'000	2021 N'000
Expected credit loss rate	0.072%	0.000%
Estimated total gross carrying amount at default	773,904	494,369
Expected credit loss	553	-

Reconciliation of Loss Allowances on Intercompany Receivables

	2022 N'000	2021 N'000
As at 1 January	-	-
Charged for the year (Note 24.2)	553	-
As at 31 December	553	-

Long-term receivables (Note 36.1)

	2022 N'000	2021 N'000
Expected credit loss rate	0.093%	0.000%
Estimated total gross carrying amount at default	8,424,840	6,753,736
Expected credit loss	6,252	-

Reconciliation of Loss Allowances on Intercompany Receivables

	2022 N'000	2021 N'000
As at 1 January	-	-
Charged for the year (Note 24.2)	6,252	-
As at 31 December	6,252	-

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. Credit ratings from Global Credit Rating Co. (GCR) are highlighted below:

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Cash at bank and short-term deposits A1+(nga)	5,156,384	4,953,329	5,075,391	4,754,762
Unrated cash and cash equivalents	26,713	12,129	26,028	11,044
Unrated trade and other receivables	3,220,475	2,636,602	3,793,545	2,926,130
Maximum credit exposure	8,403,572	7,602,060	8,894,964	7,691,936

(iv) Impairment of other financial assets

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 2.15.1 Significant accounting policies. 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 31 December 2021 and 31 December 2022.

The tables show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

Group and Company - 31 December, 2022

Key drivers	ECL Scenario	Assigned probabilities	2023	2024	2025
Crude Oil Price (USD)					
	Upturn	50%	124.28	124.28	124.28
	Base	50%	80.88	80.88	80.88
	Downturn	-%	33.99	33.99	33.99
Unemployment rate %					
	Upturn	10%	0.44	0.44	0.44
	Base	80%	0.44	0.44	0.44
	Downturn	10%	0.44	0.44	0.44
Inflation rate %					
	Upturn	-%	0.13	0.13	0.13
	Base	83%	0.17	0.17	0.17
	Downturn	17%	0.22	0.22	0.22

Group and Company - 31 December, 2021

Key drivers	ECL Scenario	Assigned probabilities	2022	2023	2024
Oil Price (USD)					
	Upturn	50%	55.61	57.07	57.07
	Base	50%	42.44	54.96	54.96
	Downturn	-%	51.18	52.64	52.64
Unemployment rate %					
	Upturn	10%	0.26	0.26	0.26
	Base	80%	0.34	0.34	0.34
	Downturn	10%	0.36	0.36	0.36
Inflation rate %					
	Upturn	-%	0.11	0.11	0.11
	Base	83%	0.12	0.12	0.12
	Downturn	17%	0.12	0.12	0.12

Excessive risk concentration

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.

6.2.3 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 flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

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

The maturity profile of contractual cash flows 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					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total days
Year ended 31 December 2022	N'000	N'000	N'000	N'000	N'000	N'000
Borrowings (Note 22 & 30)	2,392,498	1,218,376	4,235,505	17,416,788	907,403	26,170,570
Deposit for shares (Note 34)	-	-	-	2,410,000	-	2,410,000
Trade and other payables (Note 32)	-	20,125,593	-	-	-	20,125,593
	2,392,498	21,343,969	4,235,505	19,826,788	907,403	48,706,163

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total days
Year ended 31 December 2021	N'000	N'000	N'000	N'000	N'000	N'000
Borrowings (Note 22 & 30)	198,374	396,748	6,657,803	10,374,370	8,531,132	26,158,427
Deposit for shares (Note 34)	-	-	-	2,410,000	-	-
Trade and other payables (Note 32)	-	17,606,939	-	-	-	17,606,939
	198,374	18,003,687	6,657,803	12,784,370	8,531,132	43,765,366

	Company					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total days
Year ended 31 December 2022	N'000	N'000	N'000	N'000	N'000	N'000
Borrowings (Note 22 & 30)	2,392,498	1,218,376	4,235,505	17,416,788	907,404	26,170,571
Trade and other payables (Note 32)	-	19,710,927	-	-	-	19,710,927
	2,392,498	20,929,303	4,235,505	17,416,788	907,404	45,881,498

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total days
Year ended 31 December 2021	N'000	N'000	N'000	N'000	N'000	N'000
Borrowings (Note 22 & 30)	198,374	396,748	6,657,803	10,374,370	8,531,132	26,158,427
Trade and other payables (Note 32)	-	17,291,083	-	-	-	17,291,083
	198,374	17,687,831	6,657,803	10,374,370	8,531,132	43,449,510

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.

Fair value measurement hierarchy for liabilities and assets as at 31 December 2022 and 2021:

Group	Carrying Amount						Fair Value			
31 December 2022 Amounts in (N'000)	Note	Fair Value - Through PoL	Financial Assets Measured at Amortised Cost	Fair Value - Through OCI	Total	Amortized Cost	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value										
Investment in financial asset	26.	-	-	75	75	-	-	-	75	75
Financial Assets not Measured at Fair Value										
Trade and other receivables	24.	-	1,222,332	-	1,222,332	1,222,332	-	-	-	1,222,332
Investment in financial asset	26.	-	300,000	-	300,000	300,000	-	-	-	300,000
Cash and bank balances	27.	-	5,183,097	-	5,183,097	5,183,097	-	-	-	5,183,097
		-	6,705,429	-	6,705,429	6,705,429	-	-	-	6,705,429
Financial Liabilities not Measured at Fair Value										
Borrowings	22.	-	23,959,577	-	23,959,577	23,959,577	-	-	-	23,959,577
Deposit for shares	34.	-	2,410,000	-	2,410,000	2,410,000	-	-	-	2,410,000
Trade and other payables	32.	-	20,125,593	-	20,125,593	20,125,593	-	-	-	20,125,593
		-	46,495,170	-	46,495,170	46,495,170	-	-	-	46,495,170

Group										
31 December 2021										
Amounts in (N'000)										
Financial Assets Measured at Fair Value										
Financial Assets not Measured at Fair Value										
Trade and other receivables	24.	-	940,455	-	940,455	940,455	-	-	-	940,455
Cash and bank balances	27.	-	4,965,458	-	4,965,458	4,965,458	-	-	-	4,965,458
		-	5,905,913	-	5,905,913	5,905,913	-	-	-	5,905,913
Financial Liabilities not Measured at Fair Value										
Borrowings	22.	23,701,890	-	23,701,890	23,701,890		-	-	-	23,701,890
Deposit for shares	33.	-	2,410,000	-	2,410,000	2,410,000	-	-	-	2,410,000
Trade and other payables	32.	17,432,747	-	17,432,747	17,432,747		-	-	-	17,432,747
		-	43,544,637	-	43,544,637	43,544,637	-	-	-	43,544,637

Company								
31 December 2022 Amounts in (N'000)		Note	Fair Value - Through PorL	Financial Assets Measured at Amortised Cost	Fair Value - Through OCI	Total	Amortized Cost	
Non-Financial Assets Measured at Fair Value								
Investment Property	19.	1,717,765	-	-	-	1,717,765	-	
		1,717,765	-	-	-	1,717,765	-	
Financial Assets Measured at Fair Value								
Investment in financial asset	26.				75	75		
			-	-	-	-	-	
Financial Assets not Measured at Fair Value								
Trade and other receivables	24.	-	1,838,017	-	1,838,017	1,838,017		
Investment in financial asset	26.		300,000		300,000	300,000		
Cash and bank balances	27.	-	5,101,419	-	5,101,419	5,101,419		
Long term receivables	36.1	-	8,418,588	-	8,418,588	8,418,588		
		-	15,658,024	-	15,658,024	15,658,024		
Financial Liabilities not Measured at Fair Value								
Borrowings	22.	-	23,959,577	-	23,959,577	23,959,577		
Trade and other payables	32.	-	19,545,426	-	19,545,426	19,545,426		
		-	43,505,003	-	43,505,003	43,505,003		

Company

31 December 2021
Amounts in (N'000)

Non-Financial Assets Measured at Fair Value

Investment Property	19.	1,695,000	-	-	1,695,000	-	1,695,000
		1,695,000	-	-	1,695,000	-	1,695,000
Financial Assets not Measured at Fair Value							
Trade and other receivables	24.	-	1,372,419	-	1,372,419	1,372,419	1,372,419
Cash and bank balances	27.	-	4,765,806	-	4,765,806	4,765,806	4,765,806
Long term receivables	36.1	-	6,753,736	-	6,753,736	6,753,736	6,753,736
		-	12,891,961	-	12,891,961	12,891,961	12,891,961

Financial Liabilities not Measured at Fair Value

Borrowings	22.	-	23,701,890	-	23,701,890	23,701,890	23,701,890
Trade and other payables	32.	-	17,116,891	-	17,116,891	17,116,891	17,116,891
		-	40,818,781	-	40,818,781	40,818,781	40,818,781

Fair value hierarchy

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

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

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

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

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

Valuation processes applied by the Group

The following fair valuation methods and assumptions were used:

- **Cash & cash equivalents:** represents cash held in various bank accounts at the end of the year. The fair value of this amount is the carrying amount.
- **Trade and Other receivables:** represent amount due from third parties and other related parties which usually have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- **Investment property** represents land assets in Port Harcourt owned 100% by the Group and is revalued annually by expert estate valuers using level 2 inputs. The carrying amount is the fair value of the assets.
- **Trade payable:** represent amount payable to vendors and other creditors which have a short recycle period and as such the fair values of these balances approximate their carrying amount.
- **Borrowings** represents loans from third party institutions at market interest rates which have varying tenors in line with each loan agreement. The fair values of these balances are their carrying amount.
- **Other liabilities:** are amounts outstanding and are payable within a period of one year. Amount outstanding are assumed to approximate their respective fair values.

8. Interests in Subsidiaries including Consolidated Structure Entities

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

Name	Principal activities	Country of incorporation	% equity interest	
			2022	2021
Transcorp Hotels Calabar Limited	Hospitality	Nigeria	100	100
Transcorp Hotels Port Harcourt Limited	Hospitality	Nigeria	100	100
Transcorp Hotels Ikoyi Limited	Hospitality	Nigeria	58	58
Aura by Transcorp Hotels Limited	Hospitality	Nigeria	60	60

Investment in subsidiaries

Name	2022	2021
	N'000	N'000
Transcorp Hotels Calabar Limited	3,508,621	3,508,621
Transcorp Hotels Port Harcourt Limited	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
Aura by Transcorp Hotels Limited	60	60
	3,529,841	3,529,841

The Holding Company

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

Entity with significant influence over the Group

Ministry of Finance Incorporated owns 11.04% of the ordinary shares of Transcorp Hotels Plc (2021: 11.04%).

Non-controlling interest

- Heirs Holdings Ltd owns 42% of the ordinary shares of Transcorp Hotels Ikoyi Limited (2021: 42%).
- Transnational Corporation Plc. and Heirs Holdings Ltd own 20% each of the ordinary shares of Aura by Transcorp Hotels Ltd (2021:same)

Condensed result of subsidiaries

Transcorp Hotels Calabar Limited

The statement of profit or loss and other comprehensive income:	2022 N'000	2021 N'000
Revenue from contract with customers	1,002,696	858,369
Cost of sales	(350,525)	(300,451)
Gross profit	652,171	557,918
Other operating income	7,324	7,519
Operating expenses	(766,676)	(557,651)
Operating (Loss)/Profit	(107,180)	7,786
Finance cost	(24,519)	(3,332)
(Loss)/Profit before tax	(131,699)	4,454
Income tax expense	(137,569)	(7,947)
Loss for the year	(269,268)	(3,493)

The statement of financial position:	2022 N'000	2021 N'000
Assets:		
Property, plant and equipment	1,732,013	1,586,184
Intangible assets	809	607
Deferred tax assets	-	132,556
Current assets	329,624	455,219
Total assets	2,062,446	2,174,566
Equity and liabilities:		
Issued capital	7,690	7,690
Share premium	1,342,310	1,342,310
Retained earnings	(186,485)	82,783
Total equity	1,163,515	1,432,783
Current liabilities	898,931	741,782
Total equity and liabilities	2,062,446	2,174,565

Aura by Transcorp Hotels Limited

The statement of profit or loss and other comprehensive income:	2022 N'000	2021 N'000
Revenue from contract with customers	6,499	546
Other income	188	89
Operating expenses	(158,309)	(70,008)
Loss before tax	(151,622)	(69,374)
Income tax expense	-	-
Loss for the year	(151,622)	(69,374)

Aura by Transcorp Hotels Limited

	2022	2021
The statement of financial position:	N'000	N'000
Assets:		
Property, plant and equipment	5,118	3,814
Intangible assets	38,782	20,532
Current assets	25,944	14,293
Total assets	69,845	38,639
Equity and liabilities:		
Issued capital	100	100
Share premium	-	-
Accumulated Loss	(220,996)	(69,374)
Total equity	(220,896)	(69,274)
Current liabilities	290,741	107,913
Total equity and liabilities	69,845	38,639

Transcorp Hotels Port Harcourt Limited

	2022	2021
The statement of profit or loss and other comprehensive income	N'000	N'000
Revenue from contract with customers	-	-
Cost of sales	-	-
Gross profit	-	-
Operating expenses	(7,572)	(3,905)
Loss before tax	(7,572)	(3,905)
Income tax expense	-	-
Loss for the year	(7,572)	(3,905)

Transcorp Hotels Port Harcourt Limited**The statement of financial position:**

Assets:		
Property, plant and equipment	640,343	640,343
Right of use asset	51,455	-
Current assets	10,000	-
Total assets	701,799	640,343

Equity and liabilities:		
Issued capital	10,000	10,000
Share premium	10,000	10,000
Accumulated Loss	(79,982)	(40,449)
Total equity	(59,982)	(20,449)
Non-current liabilities	-	620,171
Current liabilities	761,781	40,622
Total equity and liabilities	701,799	640,343

Transcorp Hotels Ikoyi Limited

	2022	2021
The statement of profit or loss and other comprehensive income:	N'000	N'000
Revenue from contract with customers	-	-
Cost of sales	-	-
Gross profit	-	-
Rental Income	12,000	12,000
Administrative expenses	(10,025)	(9,285)
Profit before tax	1,975	2,715
Income tax expense	(40)	-
Profit for the year	1,935	2,715

The statement of financial position:

Assets:		
Property, plant and equipment	10,150,777	8,421,631
Current assets	2,000	2,980
Total assets	10,152,777	8,424,611
Equity and liabilities:		
Issued capital	2,000	2,000
Accumulated Loss	(13,747)	(15,682)
Total equity	(11,747)	(13,682)
Non-current liabilities	-	6,940,120
Current liabilities	10,164,523	1,498,172
Total equity and liabilities	10,152,776	8,424,611

9. Revenue

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Rooms *	19,675,930	13,761,137	19,151,138	13,300,087
Food and beverages	10,225,249	6,469,842	9,785,311	6,124,282
Service Charge	100,821	108,153	1,055,726	823,269
Shop Rental	1,055,726	823,269	89,018	98,259
Accommodation and experiences	6,499	546	-	-
Recreation Service	253,865	142,548	253,865	142,548
Secretarial Service	59,400	38,379	59,400	38,379
Other operating revenue	64,424	73,802	38,262	31,937
	31,441,914	21,417,676	30,432,720	20,558,761

** The guest loyalty program of the Company (Hilton frequent guest promo) has been represented as a reduction from revenue and held as a liability, which implies a deferment of revenue for the performance obligation to be met in the future when the loyalty points are redeemed by the Guests in line with IFRS 15.

Prior year room revenue and related guest loyalty program expense have been represented to ensure compliance and consistency with current year reclassification.

10. Cost of sales

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Rooms	3,407,164	1,834,155	3,367,103	1,797,380
Food and beverages	5,104,372	3,495,250	4,851,662	3,285,606
Other operating costs	540,721	183,294	482,888	129,262
Total cost of sales	9,052,257	5,512,699	8,701,653	5,212,248

11. Other operating income

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Net (loss)/gain on disposal of property, plant and equipment	(3,150)	25,459	317	25,459
Change in fair value of investment properties (Note 19)	-	-	22,765	(617,000)
Key money (Note 31.2)	152,825	152,825	152,825	152,825
Deferred income (Note 30)	464,459	273,168	464,459	273,168
Net foreign exchange gain/(loss)	257,871	(345,952)	250,492	(356,194)
Discount received on loan repayment *	-	735,000	-	735,000
Other operating income	97,238	68,883	103,881	56,795
Total net other operating income	969,243	909,383	994,739	270,053

* In 2021, the \$5mn loan from Hilton Worldwide was repaid at a discount of 35% granted to us in favor of our request precipitated by the losses incurred during the COVID-19 pandemic and the depreciated forex situation at the time of repayment. The Naira equivalent of this discount is N735mn and was recognized as other operating income for the year.

12. Finance costs/ income

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
12.1 Finance costs				
Interest on debts and borrowings	4,141,497	4,072,562	4,141,497	4,072,562
Total finance costs	4,141,497	4,072,562	4,141,497	4,072,562

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
12.2 Finance income				
Interest on bank deposits	8,721	4,299	33,240	7,630
Total finance income	8,721	4,299	33,240	7,630

13. Impairment (losses)/gains on financial assets

	Group		Company	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	N'000	N'000	N'000	N'000
Trade receivables - Note 6.2(iii)	64,273	(20,224)	68,573	(22,947)
Receivables from related parties - Note 6.2 (iii)	-	-	553	-
Receivables from related parties (long term receivables) - Note 6.2 (iii)	-	-	6,252	-
	64,273	(20,224)	75,378	(22,947)

14. Operating expenses

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Advertising **	370,108	180,984	345,617	171,464
Amortisation (Note 20)	32,402	24,971	28,418	22,887
Auditors remuneration	59,900	47,891	37,800	29,960
Bank charges	425,192	275,815	418,783	269,660
Consulting and professional fees	62,903	292,946	56,642	284,817
Depreciation (Note 18)	2,589,419	2,525,474	2,477,531	2,427,904
Directors' remuneration	205,074	207,863	178,372	195,143
Donations	5,219	3,786	5,219	3,482
Employee costs (Note 15)	2,196,939	1,674,221	1,946,991	1,462,513
Energy cost	2,334,313	1,675,327	2,026,919	1,511,383
Group services and benefits	736,526	417,666	736,526	417,666
Insurance	469,073	413,533	460,931	405,808
IT expenses	206,558	157,994	177,096	142,655
Licences, fees and rates	100,923	129,212	96,377	127,252
Management fees *	1,819,118	1,480,111	1,819,118	1,480,111
Medical expenses	64,542	93,671	64,542	93,671
Other expenses	848,475	284,661	789,855	265,745
Printing and Stationery	55,677	42,242	55,677	42,234
Repairs and maintenance	1,758,290	960,311	1,686,146	901,723
Security	112,045	89,807	109,276	87,038
Travel, logistics and accommodation	182,151	125,224	173,302	119,743
Total administrative expenses	14,634,847	11,103,710	13,691,138	10,462,859

*Management fees are made up of management fee payable to Hilton International at 1.5% of revenue, incentive fee based on an accelerated rate schedule applied on gross operating profit. These fees are specified in the executed management agreement between Transcorp Hotels Plc and Hilton International for the provision of Hotel Management and other related services to the Company.

** The guest loyalty program of the Company (Hilton frequent guest promo) has been represented as a reduction from revenue and held as a liability which implies a deferment of revenue for the performance obligation to be met in the future when the loyalty points are redeemed by the Guests in line with IFRS 15.

Prior year room revenue and related guest loyalty program expense have been represented to ensure compliance and consistency with current year reclassification.

15. Employee cost

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Direct Employee Costs				
Wages and salaries	1,806,417	1,486,382	1,748,663	1,432,351
Other long-term employee costs	79,833	-	79,833	-
Pension costs	61,695	50,229	54,864	43,730
	1,947,945	1,536,611	1,883,360	1,476,081

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Indirect Employee Costs				
Wages and salaries	2,120,669	1,611,651	1,757,549	1,401,567
Other long-term employee costs	114,881	-	114,881	-
Pension costs	76,269	62,570	74,561	60,946
	2,196,939	1,674,221	1,946,991	1,462,513
Total employee benefits expense	4,144,884	3,210,832	3,830,351	2,938,594

	Group		Company	
	2022	2021	2022	2021
Average number of persons employed during the year				
Staff numbers per grade	Number	Number	Number	Number
Managerial	35	28	26	20
Senior staff	194	139	168	117
Others	995	831	961	792
	1,224	998	1,155	929
N360,000- N500,000	167	10	161	205
N500,001-N1,000,000	90	441	77	170
N1,000,001-N2,000,000	427	46	397	72
N2,000,001-N4,000,000	125	373	113	293
N4,000,001- N5,000,000	166	71	165	96
Above N5,000,000	249	57	242	93
	1,224	998	1,155	929

15.1 Compensation of Managers

Salaries and other short-term employee benefits	452,372	217,845	369,946	177,170
Defined contributions	21,990	13,318	18,476	12,228
	474,362	231,163	388,422	189,398

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:

Below N10,000,000	5	11	3	9
Above N10,000,000	32	14	23	15
	37	25	26	24

16. Income Tax

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Current Income Tax:				
Current Income/Minimum Tax Charge	278,228	59,795	273,215	54,625
Excess Dividend Tax	126,244		126,244	-
Tertiary Education Tax Charge	190,051	109,780	190,012	107,165
	594,523	169,575	589,471	161,790
Deferred tax:				
Originating and reversing temporary differences	1,314,586	375,720	1,182,030	375,557
Tax expense in the statement of profit or loss	1,909,109	545,295	1,771,501	537,347

Reconciliation of tax expense

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Accounting profit before income tax	4,527,003	1,662,611	4,851,033	1,111,722
At Nigeria's statutory income tax rate of 30% (2021: 30%)	1,358,101	498,783	1,455,310	333,517

Tax effect of adjustments on taxable income

Education tax	190,051	109,780	190,012	107,165
Adjustment for change in education tax rate	(4,341)	(220)	(4,404)	(288)
Non-deductible expenses	32,431	72,207	32,431	42,314
Non- allowable income	(12,498)	(13,546)	(12,498)	(13,546)
Tax effect of depreciation, balancing charge	572,916	1,123,074	475,310	1,122,138
Tax effect of loss relief	(486,351)	(1,304,578)	(486,351)	(1,293,623)
Fair value adjustment	-	-	(4,553)	185,100
Deferred tax write-off	132,556	-	-	-
Excess Dividend Tax	126,244	-	126,244	-
Minimum tax	-	59,795	-	54,570
	1,909,109	545,295	1,771,501	537,347
Current tax payable				
As of 1 January	166,500	306,112	161,790	302,210
Income tax expense during the year	594,523	169,575	589,471	161,790
Payment during the year	(166,530)	(309,187)	(161,821)	(302,210)
As of 31 December	594,493	166,500	589,440	161,790

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

16.1 Deferred tax

Deferred tax relates to the following:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Deferred tax asset	-	(132,556)	-	-
Deferred tax liability	6,023,475	4,841,445	6,023,475	4,841,445
Total Net Deferred Tax Liability	6,023,475	4,708,889	6,023,475	4,841,445

The deferred tax asset and deferred tax liability relate to Transcorp Hotels Calabar and Transcorp Hotels Abuja respectively.

Deferred tax relates to the following:

	Group			
	Statement of financial position		Statement of profit or loss	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Property, plant and equipment	3,186,889	5,214,051	(2,027,162)	(1,223,938)
Investment property	2,904,439	-	2,904,439	-
Expected credit losses on debt financial assets	(80,276)	(17,029)	(63,247)	(21,825)
Exchange difference	12,424	(1,782)	14,205	(1,598)
Unused tax losses	-	(486,351)	486,351	1,623,081
Deferred tax expense			1,314,586	375,720
Net deferred tax liabilities	6,023,475	4,708,889		

Deferred tax relates to the following:

	Company			
	Statement of financial position		Statement of profit or loss	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Property, plant and equipment	3,186,889	2,436,235	750,654	(718,208)
Investment Property	2,904,439	2,902,162	2,277	(185,101)
Expected credit losses on debt financial assets	(80,276)	(9,409)	(70,868)	(10,203)
Exchange difference	12,424	(1,192)	13,616	(1,008)
Unused tax losses	-	(486,351)	486,351	1,290,077
Deferred tax expense			1,182,030	375,557
Net deferred tax liabilities	6,023,475	4,841,445		

17. Earnings per share (EPS)

Basic EPS is calculated by dividing the profit/loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	Group		Company	
	31 Dec 2022 N'000	31 Dec 2021 N'000	31 Dec 2022 N'000	31 Dec 2021 N'000
Profit attributable to ordinary equity holders of the parent for basic earnings	2,677,730	1,143,925	3,079,532	574,375
	Thousands	Thousands	Thousands	Thousands
Weighted number of shares at the end of the year	10,242,528	10,242,528	10,242,528	10,242,528
Basic Earnings per share (Kobo)	26	11	30	6
Diluted Earnings per share (Kobo)	26	11	30	6

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.

18. Property, plant and equipment

Group	Cost						Capital work in progress	Total
	Freehold Land N'000	Building N'000	Plant & Machinery N'000	Computer & Office Equipment N'000	Motor Vehicle N'000		N'000	N'000
1-January-2021	37,271,552	50,445,174	5,939,085	17,946,936	604,095		6,539,542	118,746,384
Additions	-	132,875	120,139	333,084			212,172	798,270
Reclassification/disposal	-	-	-	-	(105,227)		-	(105,227)
31-December-2021	37,271,552	50,578,049	6,059,224	18,280,020	498,868		6,751,714	119,439,427
Additions	1,430,000	253,119	255,392	1,228,291	775		3,417,974	6,585,550
Reclassification	1,100,000	-	-	-	-		(1,100,000)	-
Disposal	-	(4,413)	-	(25,872)	-		-	(30,285)
31-December-2022	39,801,552	50,826,755	6,314,616	19,482,439	499,643		9,069,687	125,994,692
Accumulated depreciation and impairment losses								
1 January 2021	-	4,719,697	3,180,883	4,650,293	488,418		-	13,039,291
Depreciation for the year	-	1,086,470	258,941	1,143,134	36,929		-	2,525,474
Disposals	-	-	-	-	(105,227)		-	(105,227)
31-December-2021	-	5,806,167	3,439,824	5,793,427	420,120		-	15,459,538
Depreciation for the year	-	1,124,806	265,755	1,178,098	20,761		-	2,589,419
Disposals	-	(901)	-	(24,710)	-		-	(25,611)
31-December-2022	-	6,930,072	3,705,579	6,946,816	440,880		-	18,023,347
Net book value								
At 31 December 2022	39,801,552	43,896,683	2,609,037	12,535,623	58,763		9,069,687	107,971,345
At 31 December 2021	37,271,552	44,771,882	2,619,400	12,486,592	78,748		6,751,714	103,979,889

The gross carrying amount of the fully depreciated property, plant and equipment that is still in use by the Group as at reporting date is N5.3 billion .

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

18. Property, plant and equipment continued

Company						
	Freehold Land N'000	Building N'000	Plant & Machinery N'000	Computer & Office Equipment N'000	Motor Vehicle N'000	Capital work in progress N'000
Cost						Total N'000
1-January-2021	30,872,625	49,214,035	5,157,248	17,561,194	589,780	1,393,375
Additions	-	122,359	185,653	301,366	-	59,387
Reclassification/Disposal	-	-	-	-	(105,226)	-
31-December-2021	30,872,625	49,336,394	5,342,901	17,862,560	484,554	1,452,762
Additions	-	197,675	222,502	1,054,706	-	3,199,282
Disposal	-	-	-	(25,489)	-	-
31-December-2022	30,872,625	49,534,069	5,565,403	18,891,777	484,554	4,652,044
Accumulated depreciation and impairment losses						
1 January 2021	-	4,381,242	2,701,015	4,294,179	478,981	-
Depreciation for the year	-	1,039,709	221,315	1,135,321	31,559	-
Disposals	-	-	-	-	(105,226)	-
31-December-2021	-	5,420,951	2,922,330	5,429,500	405,314	-
Depreciation for the year	-	1,080,056	228,504	1,147,524	21,447	-
Disposals	-	-	-	(24,489)	-	-
31-December-2022	-	6,501,007	3,150,833	6,552,535	426,760	-
Net book value						
At 31 December 2022	30,872,625	43,033,062	2,414,570	12,339,242	57,794	4,652,044
At 31 December 2021	30,872,625	43,915,443	2,420,571	12,433,060	79,240	1,452,762
						91,173,701

Property, plant and equipment encumbered as security

As at 31 December 2022, there is negative pledge over the Group's property, plant and equipment and floating assets, given in relation to the Group's borrowings.

Impairment and reversal of impairment

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

Capital commitment

At 31 December 2022, the company had no capital commitments for the acquisition of property, plant and equipment (2021: 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.

19. Investment property

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Opening balance at 1 January	-	-	1,695,000	2,312,000
Additions (subsequent expenditure)	-	-	-	-
Net gain/(loss) from fair value remeasurement	-	-	22,765	(617,000)
Closing balance at 31 December	-	-	1,717,765	1,695,000

Details of Property

Investment properties relate to the 2,409.51 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.

As at 31 December 2022, the fair values of the properties are based on valuations performed by Mr. Chukwudi Ubosi with FRC/2014/NIESV/0000003997 from Ubosi Eleh & Co. Estate Surveyors & Valuers, an accredited independent valuer and a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

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.

During the year, the Company recognised N3.0mn as rental income.

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.

There is no contractual obligation to purchase, construct, or develop investment property or for repairs & maintenance or 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.

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

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2022	2021
Land at Ikegwere street, Port Harcourt - comparison method (refer below)	Estimated rental value per sqm per month (N)	512	496
	Rent growth p.a.	3.20%	-4.78%
	Average land value per square meter	130,000	119,000
Land at Evo Road, GRA- comparison method (refer below)	Estimated rental value per sqm per month (N)	541	537
	Rent growth p.a.	0.79%	-22.70%
	Average land value per square meter	129,999	129,000

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 by adopting the cost of construction used in capitalization to arrive at depreciated value after adjusting for depreciation. Also, a market research was analysed by comparing similar properties that have recently been transacted in the open market within the locality and adjusting appropriately in arriving at the value.

The land and building was fair valued in the open market using the Depreciated Replacement Cost method of valuation, this method seeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) and other infrastructural facilities on it, including professional fees and finance costs less allowance for passage of time.

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

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

20. Intangible assets

	Computer Software	
	Group N'000	Company N'000
Cost		
At 1 January 2021	295,987	284,701
Additions	68,748	45,799
At 31 December 2021	364,735	330,500
Additions	32,653	10,218
At 31 December 2022	397,388	340,718
Amortisation		
At 1 January 2021	181,159	170,148
Amortisation	24,971	22,887
At 31 December 2021	206,130	193,035
Amortisation	32,402	28,418
At 31 December 2022	238,532	221,453
Net book value		
At 31 December 2022	158,856	119,265
At 31 December 2021	158,605	137,465

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

21. Goodwill

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

	Transcorp Hotels Calabar Limited	
	2022 N'000	2021 N'000
Carrying amount of goodwill		
Goodwill	1,974,756	1,974,756
Accumulated impairment	-	-
Carrying value	1,974,756	1,974,756

In assessing goodwill for impairment at 31 December 2022 and 2021, the Company compared the aggregate recoverable amount of the assets included in the CGU to its respective carrying amounts. Recoverable amount has been determined based on the fair value less costs of disposal.

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

Basis of valuation

The fair value of the assets of Transcorp Hotels Calabar Limited (THCL) has been determined based on the continuous existing use of the assets and the basis of valuation is open market; that is the price at which an interest in an asset might reasonably be expected to realize in a sale by private treaty assuming:

- a willing buyer;
- a reasonable period within which to negotiate the sale taking into account the nature of the property and

- the state of the market;
- 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 and assumption

As at 31 December 2022 and 2021, the fair values of the property, plant and equipment of Transcorp Hotel Calabar Limited has been determined by Mr. Chukwudi Ubosi with FRC/2014/NIES0000003997 from Ubosi Eleh & Co. Estate Surveyors & Valuers, an accredited independent valuer.

The property was valued using the Depreciated Replacement Cost method of valuation. This method of valuation 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 an allowance for depreciation to account for age, wear and tear and obsolescence, where applicable.

The following factors were considered in valuing the assets of the subsidiary:

- i. total economic working life of the item in question;
- ii. age and remaining economic life of the item;
- iii. the degree of physical deterioration and obsolescence of the item;
- iv. work load to which the item is subjected;
- v. current cost of the item including installation, freight and customs charges where applicable.

The Board has estimated the disposal costs to be 5% (2021:5%) of the fair value of the subsidiary's assets. This is based on the guidance by the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON).

	2022 N'000	2021 N'000
Analysis of values		
The fair value has been determined as follows:		
Market value		
Land and buildings	4,320,000	4,271,000
Items of plant and machinery	727,985	693,319
Items of office/computer equipment	96,891	90,515
Motor vehicles	7,920	8,800
Items of furniture and fittings	260,136	212,780
Intangible Assets	809	607
Current Assets	329,624	455,219
Total market value	5,743,365	5,732,240
Fair value of liabilities	(898,931)	(741,782)
Net Fair Value	4,844,434	4,990,458
Costs of disposal at 5%	(242,222)	(249,523)
	4,602,212	4,740,935
Carrying Value:		
Net asset as at 31 December	1,163,515	1,432,784
Goodwill as at 31 December	1,974,756	1,974,756
	3,138,271	3,407,540

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.

Below is a sensitivity analysis to compare the recoverable value when the cost of disposal is 5% or 10% respectively, above the 5% used in the computation above.

All amounts are in thousands of naira	2022	2022	2021	2021
	5% Increase	10% Decrease	5% Increase	10% Decrease
Net Fair Value of Assets	4,844,434	4,844,434	4,990,458	4,990,458
Cost of Disposal	(484,443)	(726,665)	(499,046)	(748,569)
Recoverable Amount	4,359,990	4,117,769	4,491,412	4,241,889

22. Borrowings

			Group		Company	
	Interest rate %	Maturity	2022	2021	2022	2021
			N'000	N'000	N'000	N'000
N2 billion bank overdraft	13.0	30-Sep-23	1,924,980	1,781,225	1,924,980	1,781,225
N2 billion loan	16.8	8-Nov-26	2,020,727	-	2,020,727	-
N10 billion 7-year bond	16.0	26-Oct-22	-	823,078	-	823,078
N12.75 billion loan	10.0	31-May-29	12,109,253	11,666,034	12,109,253	11,666,034
N10 billion loan	10.0	6-Mar-26	7,904,617	9,230,171	7,904,617	9,230,171
N200 million loan	8.0	28-Feb-22	-	201,382	-	201,382
Total interest-bearing loans and borrowings			23,959,577	23,701,890	23,959,577	23,701,890
Current			7,846,378	7,252,926	7,846,378	7,252,926
Non-current			16,113,199	16,448,964	16,113,199	16,448,964
			23,959,577	23,701,890	23,959,577	23,701,890

Bank Overdraft

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

N2 billion loan

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

N10 billion 7-year bond

N10 billion 7-year 16.00% fixed rate bonds. The purpose of the bond is for the upgrade and refurbishment of Transcorp Hilton Abuja. This has been fully redeemed in October 2022.

N12.75 billion loan

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

N10 billion loan

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

N200 million loan

N200 million short-term loan with rolling 365 days tenor and interest rate of 7.5%. This has been fully settled during the year.

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Bond liability				
As at 1 January	823,077	4,485,756	823,077	4,485,756
Interest	114,590	390,406	114,590	390,406
Principal repayments	(850,366)	(3,591,363)	(850,366)	(3,591,363)
Interest repayments	(87,302)	(461,722)	(87,302)	(461,722)
	-	823,077	-	823,077
Loan liability				
As at 1 January	21,097,586	16,487,078	21,097,586	16,487,078
Additions	2,000,000	11,327,329	2,000,000	11,327,329
Effective interest	2,952,411	2,428,351	2,952,411	2,428,351
Principal repayments	(1,866,667)	(6,283,222)	(1,866,667)	(6,283,222)
Interest repayments	(2,148,734)	(3,184,046)	(2,148,734)	(3,184,046)
Exchange Loss	-	322,097	-	322,097
	22,034,597	21,097,586	22,034,597	21,097,586
Total Interest-bearing loans and borrowings				
As at 1 January	21,920,663	20,972,834	21,920,663	20,972,834
Additions	2,000,000	11,327,329	2,000,000	11,327,329
Effective interest	3,067,001	2,818,757	3,067,001	2,818,757
Principal repayments	(2,717,032)	(9,874,585)	(2,717,032)	(9,874,585)
Interest repayments	(2,236,035)	(3,645,768)	(2,236,035)	(3,645,768)
Exchange Loss	-	322,097	-	322,097
	22,034,597	21,920,665	22,034,597	21,920,665
Overdraft	1,924,980	1,781,225	1,924,980	1,781,225
	23,959,577	23,701,890	23,959,577	23,701,890

22.1 The analysis of interest repayment for the purpose of Cash Flow statement is as follows;

	Group		Company	
	2021 N'000	2020 N'000	2021 N'000	2020 N'000
Interest repayment on third party loans (Note 22)	2,236,035	3,645,768	2,236,035	3,645,768
Interest repayment on overdraft	201,881	45,786	201,881	45,786
Interest repayment on related party loan	872,616	1,208,196	872,616	1,208,196
	3,310,532	4,899,750	3,310,532	4,899,750

23. Inventories

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Food and beverage	210,491	147,476	167,178	125,596
Fuel	207,346	84,486	207,346	84,486
Engineering spares	29,677	194,121	-	178,313
Guest supplies	169,110	193,440	155,347	181,813
	616,624	619,523	529,871	570,208

The cost of inventories recognised as an expense during the year in the Group was N1.90 billion (2021: N1.88 billion). For the Company, the amount recognised was N2.15 billion (2021: N2.08 billion).

Inventory pledged as security

No inventory was pledged as security for any facilities during the year (2021: Nil).

24. Trade and other receivables

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Financial Instruments:				
Trade receivables	1,234,253	997,166	1,110,153	907,002
Receivables from related parties (Note 36)	37,675	-	773,904	494,369
Provision for impairment on trade receivables (Note 24.1 & 24.2)	(49,596)	(56,711)	(46,040)	(28,952)
	1,222,332	940,455	1,838,017	1,372,419
Non-Financial Instruments:				
Deposits and advances	1,108,067	490,648	1,096,052	406,849
Withholding tax receivables	394,760	239,607	385,280	235,903
Other receivables	495,316	965,892	474,196	910,959
Total Trade and Other Receivables	3,220,475	2,636,602	3,793,545	2,926,130

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

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

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

24.1 Allowance for expected credit losses

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

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
As at 1 January	56,711	73,602	28,952	48,645
Charged for the year/(Provisions reversed)	64,273	(20,224)	74,825	(22,947)
Write-off	(71,388)	3,333	(58,291)	3,254
As at 31 December	49,596	56,711	45,486	28,952

24.2 Allowance for expected credit losses - Other financial assets

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

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
As at 1 January	-	-	-	-
Provision for expected credit losses	-	-	553	-
As at 31 December	-	-	553	-

25. Prepayments

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Maintenance contracts	231,123	317,258	205,949	300,557
Insurance and permits	284,041	97,251	284,041	97,251
Prepaid loan processing fees (BOI loans)	432,768	470,682	432,768	470,682
Service charge advance	-	394,626	-	394,626
Other prepaid expenses	114,222	142,520	114,222	141,541
	1,062,154	1,422,337	1,036,980	1,404,657

26. Investment in financial assets

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Equity instrument	75	-	75	-
Deposit for shares not yet allotted	300,000	-	300,000	-
	300,075	-	300,075	-

27. Cash and bank balances

Cash on hand	26,713	12,129	26,028	11,044
Cash at banks	4,296,032	4,479,107	4,215,039	4,280,540
Short term deposit	860,352	474,222	860,352	474,222
	5,183,097	4,965,458	5,101,419	4,765,806

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

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

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Cash on hand and at bank	4,322,745	4,491,236	4,241,067	4,291,584
Short term deposit	860,352	474,222	860,352	474,222
	5,183,097	4,965,458	5,101,419	4,765,806
Bank overdrafts	(1,924,980)	(1,781,225)	(1,924,980)	(1,781,225)
Cash and cash equivalents	3,258,117	3,184,233	3,176,439	2,984,581

28. Share Capital

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Authorised shares				
10,242,528,411 (2021:15,000,000,000) ordinary shares of 50k each	5,121,264	7,500,000	5,121,264	7,500,000
Ordinary shares issued and fully paid				
10,242,528,411 ordinary shares of 50k each	5,121,264	5,121,264	5,121,264	5,121,264
Share premium				
At 1 January	12,548,859	12,548,859	12,548,859	12,548,859
At 31 December	12,548,859	12,548,859	12,548,859	12,548,859

In pursuant to Section 131 of the Companies and Allied Matters Act 2020 (CAMA), and Article 12 of the Articles of Association of the company, the authorised share capital of the company be and is hereby reduced from N7,500,000,000 (Seven Billion Five Hundred Naira only) divided into 15,000,000,000 ordinary shares of 50k each to N5,121,264,205.50 (Five Billion, One Hundred and Twenty-One Million, Two Hundred and Sixty-Four Thousand, Two Hundred and Five Naira, Fifty Kobo) divided into 10,242,528 Ordinary shares of 50K each by canceling 4,757,471,589 ordinary shares of 50k each, which have not been issued.

(a) Compliance with Free Float Requirements and Shareholding pattern as at 31 December 2022

Shareholders	Number of Ordinary Shareholders	Percentage Holdings
Transnational Corporation Plc	7,800,070,016	76%
Ministry of Finance Incorporated	1,131,165,000	11%
Directors' direct shareholding	815,574	0%
Directors' indirect shareholding	1,000,000	0%
Other Shareholders	1,309,477,821	13%
Total	10,242,528,411	100%

Transcorp Hotels Plc. as at 31 December 2022 is not in full compliance with the free float requirement for the Nigerian Exchange Group. However, continued effort through good corporate governance practices, consistent engagements with the market, financial advisors and stakeholders are being undertaken to ensure that the Company is compliance within the agreed timelines.

According to the register of members as at 31 December 2022, the shareholding in the Company was as follows:

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

29. Dividend made and proposed

	Group		Company	
	2022	2021	2022	2021
Cash dividends on ordinary shares declared:				
Dividend for 2022 at 13 kobo per share (2021: 7k per share)	1,331,529	716,977	1,331,529	716,977
	1,331,529	716,977	1,331,529	716,977

30. Deferred income

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

30.1 Net movement during the year for Cashflow Statement

Received/adjustment during the year	-	1,424,170	-	1,424,170
Released to the statement of profit or loss	(464,459)	(273,168)	(464,459)	(273,168)
	(464,459)	1,151,002	(464,459)	1,151,002

The Company obtained a loan from Bank of Industry (BOI) to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new multi-purpose banqueting conference centre. The interest rate on the loan was below the market loan rate. The fair value and the deferred income on the loan was recognized initially on the loan drawn down date. The deferred income was subsequently amortized on a straight line basis over the tenor of the loan. There were no unfulfilled conditions relating to the loan as at the reporting date. The opening deferred income was N2.46 billion and N464 million was credited to other operating income in the statement of profit or loss for the period ended 31 December 2022.

31. Contract liabilities

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Short-term advances for hospitality services (Note 31.1)	105,464	40,990	105,464	40,990
Key money from Hilton (Note 31.2)	2,292,375	2,445,200	2,292,375	2,445,200
	2,397,839	2,486,190	2,397,839	2,486,190
Current	258,284	152,820	258,284	152,820
Non current	2,139,555	2,333,370	2,139,555	2,333,370
	2,397,839	2,486,190	2,397,839	2,486,190

31.1 Short-term advances for hospitality services

This relates to consideration paid by customers before the Hotel transfers goods or services. Contract liabilities are recognised as revenue when the Hotel performs its obligations under the contract. The entire advances would be earned as revenue in 2023.

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Reconciliation of Short-term advances				
At 1 January	40,990	18,128	40,990	18,128
Deferred during the year	105,464	40,990	105,464	40,990
Recognised as revenue during the year	(40,990)	(18,128)	(40,990)	(18,128)
At 31 December	105,464	40,990	105,464	40,990
Current	105,464	40,990	105,464	40,990

31.2 Key money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed \$10million towards the refurbishment of the hotel. The contribution is referred to as Key money. It does not attract any interest, and it is not repayable by the Company unless the contract is terminated before the end of the 20-year contract period (31st December 2038). The Key money from Hilton International LLC will be notionally amortised over the contract period on a straight-line basis to other income. The outstanding balance of N2.29bn relates to the unamortised portion of the key money as at 31 December 2022.

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

32. Trade and other payables

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Trade payables	2,223,614	1,606,692	2,146,301	1,564,286
Related parties (Note 36)	12,885,522	12,167,716	12,885,522	12,167,716
Other payables (Note 32.1)	5,016,457	3,832,531	4,679,104	3,559,081
	20,125,593	17,606,939	19,710,927	17,291,083

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.
- For terms and conditions with related parties, refer to Note 36.
- For explanations on the Group's liquidity risk management processes, refer to Note 6.

32.1 Other payables

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
VAT payable	295,290	184,113	225,625	111,699
Accrued liabilities	4,009,160	3,125,911	3,767,489	2,953,282
Unclaimed dividend	147,017	147,017	147,017	147,017
Security deposits from guests	165,501	174,192	165,501	174,192
WHT Payable	399,489	201,298	373,472	172,891
	5,016,457	3,832,531	4,679,104	3,559,081

33. Cash generated from operations

	Notes	Group		Company	
		2022	2021	2022	2021
Profit before tax		4,527,003	1,662,611	4,851,033	1,111,722
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	18	2,589,419	2,525,474	2,477,531	2,427,904
Amortisation of intangible assets	20	32,402	24,971	28,418	22,887
Impairment allowance on financial assets	24.1	(64,273)	20,224	(75,378)	22,947
(Gain)/Loss in fair value of investment properties	19	-	-	(22,765)	617,000
(Gain)/Loss on foreign exchange	11	(257,871)	345,952	(250,492)	356,194
Loss/(Gain) on disposal of property, plant and equipment	11	3,150	(25,459)	(317)	(25,459)
Day 1 Gain Income	30.1	(464,459)	(273,168)	(464,459)	(273,168)
Finance income	12.2	(8,721)	(4,299)	(33,240)	(7,630)
Finance cost	12.1	4,141,497	4,072,562	4,141,497	4,072,562
Working capital adjustments:					
(Increase) in trade and other receivables		(519,599)	(1,065,798)	(792,038)	(1,258,744)
Decrease/(Increase) in prepayments		360,183	(422,227)	367,677	(420,397)
Decrease/(Increase) in inventories		2,899	(34,982)	40,337	(25,391)
Decrease in contract liabilities		(88,351)	(129,963)	(88,351)	(129,963)
Increase in long term receivables		-	-	(1,664,852)	(82,409)
(Decrease)/Increase in deferred income	30.1	-	1,424,170	-	1,424,170
Increase in defined benefit liability	37	194,713	-	194,713	-
Increase /(Decrease) in trade and other payables		1,187,125	(2,136,784)	1,088,313	(2,158,934)
		11,635,117	5,983,284	9,797,629	5,673,291

34. Deposit for shares

Group		Company	
2022	2021	2022	2021
N'000	N'000	N'000	N'000
2,410,000	2,410,000	-	-

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

35. Commitments and contingencies

Commitments

The Directors have disclosed that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into consideration in the preparation of these financial statements. As at 2022, the Group had no commitments (2021: Nil).

Contingent Liability

The Group is involved in some legal action in the ordinary course of the business. The Group has been advised by its legal counsel that the cases/claims are remote and for this reason, no loss or cost is anticipated. Accordingly, no provision for any liability has been made in these financial statements.

36. Related party disclosures

Relationships	Entities
Holding company	Transnational corporation Plc
Subsidiaries	Refer to note 8
Fellow Subsidiaries:	Transcorp Power Limited
	TransAfam Power Limited
	Transcorp OPL 281 Limited

Related party balances

	Sales to related parties N'000	Interest payable to Related Parties N'000	Amounts due from related parties N'000	Amounts due to related parties N'000
Group - 2022				
Transnational Corporation Plc	27,341	306,467	-	4,685,850
Trans Afam Power Limited	8,342	-	37,477	-
Transcorp Power Limited	45,671	827,172	-	8,199,672
	81,354	1,133,639	37,477	12,885,522
Group - 2021				
Transnational Corporation Plc	66,927	306,467	-	5,058,564
Trans Afam Power Limited	4,526	17,847	-	17,847
Transcorp Power Limited	45,671	827,172	-	7,091,305
	117,124	1,151,486	-	12,167,716

Company - 2022	Sales to related parties N'000	Interest payable/ (receivable) N'000	Amounts owed by related parties N'000	Amounts owed to related parties N'000
Transnational Corporation Plc	21,228	306,467	-	4,685,850
Trans Afam Power Limited	8,342	-	37,477	-
Transcorp Power Limited	25,106	827,172	-	8,199,672
Aura by Transcorp Hotels Limited	-	-	273,927	-
Transcorp Hotels Calabar Limited	-	(164)	462,500	-
	54,676	1,133,476	773,904	12,885,522
Company - 2021				
Transnational Corporation Plc	60,814	306,467	-	5,058,564
Trans Afam Power Limited	4,526	17,847	-	17,847
Transcorp Power Limited	45,382	827,172	-	7,091,305
Aura by Transcorp Hotels Limited	-	-	107,359	-
Transcorp Hotels Calabar Limited	-	(338)	387,011	-
	110,722	1,151,148	494,369	12,167,716

36.1 Long term receivables

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
At 1 January	-	-	6,753,736	6,671,327
Additions				
Transcorp Hotels Port Harcourt Limited	-	-	28,208	3,767
Transcorp Hotels Ikoyi Limited	-	-	1,642,896	78,642
Impairment	-	-	(6,252)	-
	-	-	8,418,588	6,753,736

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. No guarantees were provided or received for any related party receivables or payables. For the year ended 31 December 2022, the Company recognised N6.8mn as expected credit losses relating to amounts owed by related parties (2021: Nil).

Related party borrowings:

Included in the amount due to Transcorp Power is a N7.6bn loan at an average interest rate of 13%.

Likewise, included in the amount due from Transcorp Hotels Calabar is a N235mn loan and due from TransAfam Power Ltd is N37mn at an average interest rate of 11.5%.

Management fee is payable to Transnational Corporation at the higher of 5% of Profit before tax or N350mn. Management fee charged for the year is N350mn plus VAT (2021:N350mn)

36.2 Compensation of key management personnel

	Group		Company	
	2022 N'000	2021 N'000	2022 N'000	2021 N'000
Emoluments of directors				
Executive Compensation	106,186	93,207	80,746	80,487
Defined contributions	3,939	2,668	2,677	2,668
Fees and allowances	94,949	111,988	94,949	111,988
Total compensation paid to key management personnel	205,074	207,863	178,372	195,143
Amount paid to the highest paid director (excluding pension contributions)	62,784	62,619	62,784	62,619
Chairman's emoluments				
Fees	15,000	13,200	13,200	13,200

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

	Group		Company	
	2022 Number	2021 Number	2022 Number	2021 Number
Less than N10,000,000	8	9	7	8
Over N10,000,000	1	1	1	1

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

37. Defined Benefit Plan - Other employee benefit

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

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

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

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

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

Key assumptions used:**Financial Assumptions****- Discount rate**

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

IAS 19 requires an entity to determine the rate to be used for discounting long-term employees' benefits with reference to market yields on high-quality corporate bonds. However, when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds instead. There is no deep market in corporate bonds in Nigeria and we have determined the rate used for the current valuation by reference to the yield available on Nigerian Federal Government Bonds.

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

- Benefit escalation rate

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

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

Demographic Assumptions**- Mortality in Service**

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

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

- Withdrawal from Service

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

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

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

	2022 N'000	2021 N'000
Current Service cost (Note 15)	194,713	-
Interest expense (Note 12)	-	-
Components of defined benefit costs recognised in profit or loss	194,713	-

Of the expense (service cost) for the year, N79.8 million (2021: Nil) has been included in profit or loss as cost of sales and N114.9 million (2021: Nil) has been included in operating expenses. There is no net interest expense for the year as this is the initial recognition of the liability. The remeasurement of the net defined benefit liability is included in other comprehensive income.

Amounts recognised in other comprehensive income are as follows:

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

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

	2022 N'000	2021 N'000
Present value of defined benefit obligations	194,713	-
Fair value of plan assets	-	-
Funded status	194,713	-
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	194,713	-

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

	2022 N'000	2021 N'000
Opening defined benefit obligation	-	-
Service cost (Note 15)	194,713	-
Interest cost (Note 12.2)	-	-
Remeasurement gain/loss	-	-
Benefits paid	-	-
Closing defined benefit obligation	194,713	-

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

All amounts are in thousands of naira

	Decrease	Base	Increase
Effect of 1% increase or decrease in Discount rate	206,796,882	194,713,423	183,796,009
Effect of 1% increase or decrease in Escalation rate	189,965,585	194,713,423	199,935,000
Effect of 10% increase or decrease in Exchange rate	182,619,084	194,713,423	206,807,762
Effect of 10% increase or decrease in Withdrawal rate	196,493,922	194,713,423	192,969,745
Effect of 10% increase or decrease in Mortality rate	194,983,979	194,713,423	194,443,408

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

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

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

38. Securities Trading Policy

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

39. Subsequent Events

There are no significant subsequent events, which could have had a material effect on the state of affairs of the Group and Company as at 31 December 2022 that have not been adequately provided for or disclosed in these financial statements.

CONSOLIDATED AND SEPARATE VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER NATIONAL DISCLOSURES

	Group				Company			
	2022 N'000	%	2021 N'000	%	2022 N'000	%	2021 N'000	%
Revenue	31,441,914		21,417,676		30,432,720		20,558,761	
Other	977,964		913,682		1,027,979		277,683	
	32,419,878		22,331,358		31,460,699		20,836,444	
Bought in services								
- Foreign	(8,961,700)		(6,500,945)		(8,450,018)		(6,157,665)	
- Local	(5,974,467)		(4,333,963)		(5,633,345)		(4,105,110)	
Total Value added	17,483,711		11,496,450		17,377,336		10,573,669	
Applied as follows:								
Employees								
Salaries and other labour related benefits	4,144,884	24	3,210,832	28	3,830,351	22	2,938,594	28
Provider of funds								
Dividend	2,048,506	12	-	-	2,048,506	12	-	-
Finance costs	4,141,497	24	4,072,562	35	4,141,497	24	4,072,562	39
Government								
Taxation	594,523	3	169,575	1	589,471	3	161,790	2
The Future								
Deferred tax	1,314,586	8	375,720	3	1,182,030	7	375,557	4
Depreciation and amortisation	2,621,821	15	2,550,445	22	2,505,949	14	2,450,791	23
Retained profit	2,617,894	16	1,117,316	10	3,079,532	18	574,375	5
Total Value added	17,483,711	100	11,496,450	100	17,377,336	100	10,573,669	100

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

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY

FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER NATIONAL DISCLOSURES

GROUP					
	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
STATEMENT OF FINANCIAL POSITION					
Assets					
Non-current assets	110,405,032	106,245,806	107,929,396	108,776,561	105,444,729
Current assets	10,082,350	9,643,920	4,993,936	5,969,706	5,832,857
Total assets	120,487,382	115,889,726	112,923,332	114,746,267	111,277,586
Equity					
Issued capital	5,121,264	5,121,264	5,121,264	3,800,202	3,800,202
Share premium	12,548,859	12,548,859	12,548,859	4,034,411	4,034,411
Retained earnings	45,207,011	44,577,786	43,433,861	49,710,434	49,626,894
Equity attributable to equity holders of the parent	62,877,134	62,247,909	61,103,984	57,545,047	57,461,507
Non-controlling interests	(87,520)	(27,684)	(1,075)	(2,130)	(298)
Total equity	62,789,614	62,220,225	61,102,909	57,542,917	57,461,209
Liabilities					
Non-current liabilities	28,392,256	28,039,657	23,526,306	34,649,473	33,931,045
Current liabilities	29,305,512	25,629,844	28,294,117	22,553,877	19,885,332
Total liabilities	57,697,768	53,669,501	51,820,423	57,203,350	53,816,377
Total equity and liabilities	120,487,382	115,889,726	112,923,332	114,746,267	111,277,586
STATEMENT OF PROFIT OR LOSS					
Revenue	31,441,914	21,417,676	10,158,154	20,404,533	17,424,966
Profit before taxation	4,527,003	1,662,611	(8,934,377)	1,124,233	5,041,581
Taxation	(1,909,109)	(545,295)	2,664,769	(510,497)	(1,327,885)
Profit after taxation	2,817,894	1,117,316	(6,269,608)	613,736	3,713,696
Earnings per share (Kobo)					
- Basic	26.14	11.17	(76.55)	8.06	48.89
Net Asset per share (Kobo)					
- Basic	6.13	6.07	7.46	7.57	7.56
Dividend per share (Kobo)	13.00	7.00	-	7.00	15.00

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

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

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY FOR THE YEAR ENDED 31 DECEMBER 2022

OTHER NATIONAL DISCLOSURES

COMPANY					
STATEMENT OF FINANCIAL POSITION	2022 N'000	2021 N'000	2020 N'000	2019 N'000	2018 N'000
Assets					
Non-current assets	107,454,869	103,289,743	105,560,501	106,361,373	103,063,443
Current assets	10,461,815	9,666,801	4,995,548	5,884,679	5,722,247
Total assets	117,916,684	112,956,544	110,556,049	112,246,052	108,785,690
Equity					
Issued capital	5,121,264	5,121,264	5,121,264	3,800,202	3,800,202
Share premium	12,548,859	12,548,859	12,548,859	4,034,411	4,034,411
Retained earnings	45,378,512	44,347,486	43,773,111	49,904,570	49,802,915
Total equity	63,048,635	62,017,609	61,443,234	57,739,183	57,637,528
Liabilities					
Non-current liabilities	25,982,256	25,629,657	21,116,306	32,239,473	31,521,045
Current liabilities	28,885,793	25,309,278	27,996,509	22,267,396	19,627,117
Total liabilities	54,868,049	50,938,935	49,112,815	54,506,869	51,148,162
Total equity and liabilities	117,916,684	112,956,544	110,556,049	112,246,052	108,785,690
STATEMENT OF PROFIT OR LOSS					
Revenue	30,432,720	20,558,761	9,647,364	19,499,897	16,475,720
Profit before taxation	4,851,033	1,111,722	(8,743,483)	1,133,926	5,187,367
Taxation	(1,771,501)	(537,347)	2,612,024	(500,243)	(1,311,067)
Profit after taxation	3,079,532	574,375	(6,131,459)	633,683	3,876,300
Earnings per share (Kobo)					
- Basic	30.07	5.61	(74.85)	8.34	51.00
Net Asset per share (Kobo)					
- Basic	6.16	6.05	7.50	7.60	7.58
Dividend per share (Kobo)	13.00	7.00	-	7.00	15.00

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

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING OF TRANSCORP HOTELS PLC

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting (“AGM”) of Transcorp Hotels Plc. (“the Company”) is scheduled to hold on, Monday, April 3, 2023, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2022, together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To approve the appointment of Mr. Udechukwu Obi Osakwe as a Director of the Company.
4. To re-elect the following Directors retiring by rotation:
 - 4.1 Mr. Emmanuel Nnorom; and
 - 4.2 Mr. Peter Elumelu.
5. To authorise the Directors to fix the remuneration of the Auditors for the 2023 financial year.
6. To disclose the remuneration of Managers of the Company.
7. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

8. To consider and if thought fit, pass the following as ordinary resolutions:

“That the remuneration of Directors be and is hereby fixed at the sum of N91,900,000 (Ninety One Million Nine Hundred Thousand Naira) for the year ending December 31st, 2023, such payment to be effective from 1st of January 2023”.
9. To consider and if thought fit, pass the following as ordinary resolutions:
 - 9.1 “That the Company be and is hereby authorised to dispose of its 100% equity interest in Transcorp Hotels Calabar Limited” in accordance with relevant laws, statutes and regulations.
 - 9.2 “That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganization, reconstruction and such other business arrangement exercise or actions.”
 - 9.3 “That subject to regulatory approval (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of 9.1 and 9.2 above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate.”

Dated this 8th day of March 2023.

BY ORDER OF THE BOARD



Mrs. Funmi Olofintuyi
Group Company Secretary (Ag.)
FRC/2022/004/PRO/NBA/002/316763

NOTES

PROXY

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

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.transcorphotelsplc.com.

DIVIDEND

If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by Tuesday, April 4, 2023, to the shareholders whose names appear in the Company's Register of Members at the close of business on Friday, March 17, 2023.

CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, March 20, 2023 to Friday, March 24, 2023, (both dates inclusive) for the purpose of dividend payment and updating the register.

NOMINATION TO THE AUDIT COMMITTEE

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020 (CAMA), any member may nominate a shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least twenty-one (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. CAMA further provides that members of the Statutory Audit Committee should be financially literate.

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.

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.

PROFILES OF DIRECTORS FOR APPOINTMENT AND RE-ELECTION

The profiles of Mr. Udechukwu Obi Osakwe seeking appointment as a Director of the Company, Mr. Emmanuel Nnorom and Mr. Peter Elumelu who will be retiring by rotation and will be standing for re-election are amongst the profiles of Directors that are provided in the 2022 Annual Report and on the Company's website at www.transcorphotels.com.

E- ANNUAL REPORT PUBLISHED ON THE WEBSITE

In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2022 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. Additionally, an electronic version of the 2022 Annual Report is available on the Company's website at www.transcorphotels.com.

RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company on or before Tuesday, March 21, 2023.

PROXY FORM

NINTH ANNUAL GENERAL MEETING OF TRANSCORP HOTELS PLC TO BE HELD ON MONDAY, APRIL 3, 2023, AT TRANSCORP HILTON ABUJA, 1, AGUIYI IRONSI STREET, MAITAMA, ABUJA, F.C.T AT 10.00 AM

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 Ninth Annual General Meeting of the Company to be held on Monday, April 3, 2023 at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 10.00 a.m. 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. This proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

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

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

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

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 3, 2023, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 10.00 am.

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

TRANSCORP HOTELS PLC

Ninth Annual General Meeting

_____ Name of Shareholder

_____ Address of Shareholder

_____ Number of Shares Held

_____ Signature

RESOLUTIONS	FOR	AGAINST	ABSTAIN
1. To declare a dividend			
2. To approve the appointment of Mr. Udechukwu Obi Osakwe as a Director of the Company.			
3.1 To re-elect Mr. Emmanuel Nnorom, a Director retiring by rotation.			
3.2 To re-elect Mr. Peter Elumelu, a Director retiring by rotation.			
4. To authorise the Directors to fix the remuneration of the Auditors for the 2023 financial year.			
5. To elect members of the Statutory Audit Committee.			
6. To consider and if thought fit, pass the following as ordinary resolutions: "That the remuneration of Directors be and is hereby fixed at the sum of N91,900,000 (Ninety One Million Nine Hundred Thousand Naira) for the year ending December 31st, 2023, such payment to be effective from 1st of January 2023".			
7. To consider and if thought fit, pass the following as ordinary resolutions:			
7.1 "That the Company be and is hereby authorised to dispose of its 100% equity interest in Transcorp Hotels Calabar Limited" in accordance with relevant laws, statutes and regulations."			
7.2 "That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganisation, reconstruction and such other business arrangement exercise or actions."			
7.3 "That subject to regulatory approval (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of 7.1 and 7.2 above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate."			

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.



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

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

19. BANK VERIFICATION NO. (BVN) 20. NAME OF STOCKBROKING FIRM

21. CSCS CLEARING HOUSE NO. (CHN)

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

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@aficaprudential.com | www.aficaprudential.com | @afriprud



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To Download Shareholders' Forms

SHARE PORTAL APPLICATION FORM

Dear Registrar,

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

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:

2. *FIRST NAME:

3. OTHER NAME:

4. *E-MAIL:

5. ALTERNATE E-MAIL:

6. *MOBILE NO.: 1. 2.

7. SEX: MALE ☐ FEMALE ☐ 8. *DATE OF BIRTH

9. *POSTAL ADDRESS:

10. CSCS CLEARING HOUSE NO.:

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:

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 ☐
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4. AFRICA PRUDENTIAL PLC ☐
5. A & G INSURANCE PLC ☐
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21. INVESTMENT & ALLIED ASSURANCE PLC ☐
22. JAIZ BANK PLC ☐
23. KADUNA STATE GOVERNMENT BOND ☐
24. LAGOS BUILDING INVESTMENT CO. PLC ☐
25. GLOBAL SPECTRUM ENERGY SERVICES PLC ☐
26. MED-VIEW AIRLINE PLC ☐
27. MIXTA REAL ESTATE PLC (formerly ARM Properties Plc) ☐
28. NEXANS KABLEMETAL NIG. PLC ☐
29. LIVINGTRUST MORTGAGE BANK PLC ☐
30. PERSONAL TRUST & SAVINGS LTD ☐
31. P.S MANDRIDES PLC ☐
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33. PREMIER BREWERIES PLC ☐
34. RESORT SAVINGS & LOANS PLC ☐
35. ROADS NIGERIA PLC ☐
36. SCOA NIGERIA PLC ☐
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38. TRANSCORP PLC ☐
39. TOWER BOND ☐
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49. UNITED CAPITAL WEALTH FOR WOMEN FUND ☐
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51. UNIC INSURANCE PLC ☐
52. UAC PROPERTY DEVELOPMENT COMPANY PLC ☐
53. UAC NIGERIA PLC ☐
54. VFD GROUP PLC ☐
55. WEST AFRICAN GLASS IND PLC ☐

OTHERS:

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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 DD MM YYYY

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) Name of Stockbroking Firm

C

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: Company Seal (if applicable)

Joint/Company's Signatories

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

CLIENTELE

1. ABBEY MORTGAGE BANK PLC ☐
2. ADAMAWA STATE GOVERNMENT BOND ☐
3. AFRILAND PROPERTIES PLC ☐
4. AFRICA PRUDENTIAL PLC ☐
5. A & G INSURANCE PLC ☐
6. ALUMACO PLC ☐
7. A.R.M LIFE PLC ☐
8. BECO PETROLEUM PRODUCTS PLC ☐
9. BUA CEMENT PLC ☐
10. BUA FOODS PLC ☐
11. BENUE STATE GOVERNMENT BOND ☐
12. CAP PLC ☐
13. CAPP AND D'ALBERTO PLC ☐
14. CSCS PLC ☐
15. CHAMPION BREWERIES PLC ☐
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18. GOLDEN CAPITAL PLC ☐
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[illegible]

USE GUM ONLY
NO STAPLE PINS

SHAREHOLDER'S FULL NAMES:

SHAREHOLDER'S FULL NAMES:

Surname	First Name	Middle Name
---------	------------	-------------

[illegible][illegible][illegible]

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

ACCOUNT NAME:

ACCOUNT NAME:

BANK A/C NUMBER:

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Must be NILIRAN

BVN:

--	--	--	--	--	--	--	--	--	--

Must be confirmed by bank

AGE OF A/C:

--	--	--	--	--	--

Must be confirmed by bank







Authorized Signature (1)
(and stamp of Stockbroker)

Authorized Signature (2)
(and stamp of Stockbroker)

Shareholder's Signature & Date

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

Thumb Print

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

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

I hereby request Africa Prudential Plc to create 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/were 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.

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

[illegible]

Signature: _____

Joint (2) (if applicable): _____

Joint (3) (if applicable):

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

Authorised Signatory (1):

Authorised Signatory (2):

Company
Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.

ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Easkari Crescent, Area 3, Garki, Abuja

PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.

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