

**Transnational Corporation of Nigeria Plc**  
**Unaudited Condensed Consolidated Financial Statements**  
**For the Period Ended 31 March 2017**

**Transnational Corporation of Nigeria Plc**  
**Statement of Financial Position**  
**As at 31 March 2017**

	Note	Group		Company	
		31 March 2017 N'000	31 December 2016 N'000	31 March 2017 N'000	31 December 2016 N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	6	126,794,307	124,660,561	18,399	21,250
Intangible assets	7	38,947,326	38,951,969	5,076,031	5,076,102
Investment property	8	1,706,600	1,706,600	1,706,600	1,706,600
Investment in subsidiaries	9	-	-	27,529,887	27,529,887
Debt and equity securities	14	2,785,224	2,207,943	2,785,224	2,207,943
Deferred tax	10	3,356,550	3,356,550	-	-
Prepaid lease rental (long term)	11	58,704	58,704	-	-
		173,648,711	170,942,327	37,116,141	36,541,782
<b>Current assets</b>					
Inventories	12	4,802,989	4,722,545	-	-
Trade and other receivables	13	62,934,749	54,104,539	20,130,476	21,366,895
Prepaid lease rental (short term)	11	30,000	30,000	-	-
Cash and cash equivalents	15	3,457,304	2,361,320	4,672	5,026
		71,225,042	61,218,404	20,135,148	21,371,921
<b>Total assets</b>		<b>244,873,753</b>	<b>232,160,731</b>	<b>57,251,289</b>	<b>57,913,703</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	16	43,084,331	31,586,476	3,473,550	5,678,281
Taxation	17	4,292,359	4,137,597	196,580	196,580
Borrowings (short term)	18	12,348,694	25,600,695	5,309,039	10,987,060
Advance deposits	20	1,875,000	1,875,000	1,875,000	1,875,000
		61,600,384	63,199,768	10,854,169	18,736,921
<b>Non-current liabilities</b>					
Borrowings (long term)	18	85,146,796	72,943,568	14,652,593	8,231,283
Deposit for shares	19	2,410,000	2,410,000	-	-
Deferred tax	10	7,158,798	7,158,798	-	-
		94,715,594	82,512,366	14,652,593	8,231,283
<b>Total liabilities</b>		<b>156,315,978</b>	<b>145,712,134</b>	<b>25,506,762</b>	<b>26,968,204</b>
<b>Equity</b>					
Ordinary share capital	29	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	29	6,249,871	6,249,871	6,249,871	6,249,871
Treasury shares	29	(345,819)	(345,819)	-	-
Other reserves		598,182	(14,662)	709,862	97,018
Retained earnings		27,575,914	27,207,214	4,460,798	4,274,614
<b>Equity attributable to owners of the parent</b>		<b>54,402,144</b>	<b>53,420,600</b>	<b>31,744,527</b>	<b>30,945,499</b>
Non controlling interest	30	34,155,632	33,027,997	-	-
<b>Total equity</b>		<b>88,557,776</b>	<b>86,448,597</b>	<b>31,744,527</b>	<b>30,945,499</b>
<b>Net equity and liabilities</b>		<b>244,873,753</b>	<b>232,160,731</b>	<b>57,251,289</b>	<b>57,913,703</b>

The notes on pages 5 to 23 are an integral part of these financial statements.

The unaudited condensed consolidated financial statements on pages 1 to 23 were approved and authorised for issue by the Board of Directors on 21 April 2017 and were signed on its behalf by



**Ibikunle Oriola**  
Group Chief Finance Officer  
FRC/2013/ICAN/00000004372



**Emmanuel N. Nnorom**  
President/Chief Executive Officer  
FRC/2014/ICAN/00000007402

**Transnational Corporation of Nigeria Plc**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period Ended 31 March 2017**

	Note	Group		Company	
		31 March 2017	31 March 2016	31 March 2017	31 March 2016
		N'000	N'000	N'000	N'000
Revenue	21	15,767,796	13,192,829	836,111	1,032,336
Cost of sales	22	(8,827,536)	(7,282,417)	-	-
<b>Gross profit</b>		<b>6,940,260</b>	<b>5,910,412</b>	<b>836,111</b>	<b>1,032,336</b>
Administrative expenses	25	(2,716,219)	(2,696,807)	(301,535)	(258,113)
Other income	23	(16,988)	17,927	180,242	139,564
Other gains - net	24	20,045	17,711	-	-
<b>Operating profit</b>		<b>4,227,098</b>	<b>3,249,243</b>	<b>714,818</b>	<b>913,787</b>
Finance income	26	217,229	293,131	355,601	228,999
Finance cost	26	(2,394,277)	(1,812,439)	(800,624)	(765,164)
Foreign exchange loss on financing activities	27	(315,342)	-	-	-
Finance cost -net		(2,492,390)	(1,519,308)	(445,023)	(536,165)
<b>Profit before taxation</b>		<b>1,734,708</b>	<b>1,729,935</b>	<b>269,795</b>	<b>377,622</b>
Taxation	17	(238,373)	(524,124)	(83,611)	(103,234)
<b>Profit for the period</b>		<b>1,496,335</b>	<b>1,205,811</b>	<b>186,184</b>	<b>274,388</b>
<b>Profit attributable to:</b>					
Owners of the parent		368,700	454,433	186,184	274,388
Non controlling interest		1,127,635	751,378	-	-
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss:</i>					
Changes in the fair value of available-for-sale (equity securities)	24	612,844	(108,328)	612,844	(108,328)
<b>Total comprehensive income for the period</b>		<b>2,109,179</b>	<b>1,097,483</b>	<b>799,028</b>	<b>166,060</b>
<b>Attributable to:</b>					
Owners of the parent		981,544	346,105	799,028	166,060
Non controlling interest		1,127,635	751,378	-	-
Basic EPS (kobo)	28	0.91	1.12	0.46	0.71
Diluted EPS (kobo)	28	0.91	1.12	0.46	0.71

The result shown above relate to continuing operations. There are no incomes or expenses from discontinued operations.

The notes on pages 5 to 23 are an integral part of these financial statements.

**Transnational Corporation of Nigeria Plc**  
**Statement of Changes in Equity**  
**For the Period Ended 31 March 2017**

Group	Attributable to owners of the parent					Total Controlling interest N'000	Non Controlling interest N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Treasury shares N'000	Other reserves N'000	Retained earnings N'000			
Balance at 1 January 2016	19,360,499	7,213,368	(345,819)	(587,547)	28,138,355	53,778,856	33,726,375	87,505,231
Profit for the period	-	-	-	-	454,433	454,433	751,378	1,205,811
Other comprehensive income	-	-	-	(108,328)	-	(108,328)	-	(108,328)
<b>Balance at 31 March 2016</b>	<b>19,360,499</b>	<b>7,213,368</b>	<b>(345,819)</b>	<b>(695,875)</b>	<b>28,592,788</b>	<b>54,124,961</b>	<b>34,477,753</b>	<b>88,602,714</b>
Balance at 1 January 2017	20,323,996	6,249,871	(345,819)	(14,662)	27,207,214	53,420,600	33,027,997	86,448,597
Profit for the period	-	-	-	-	368,700	368,700	1,127,635	1,496,335
Other comprehensive income	-	-	-	612,844	-	612,844	-	612,844
<b>Balance at 31 March 2017</b>	<b>20,323,996</b>	<b>6,249,871</b>	<b>(345,819)</b>	<b>598,182</b>	<b>27,575,914</b>	<b>54,402,144</b>	<b>34,155,632</b>	<b>88,557,776</b>

Company	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2016	19,360,499	7,213,368	(475,867)	5,123,707	31,221,707
Profit for the period	-	-	-	274,388	274,388
Other comprehensive income	-	-	(108,328)	-	(108,328)
<b>Balance at 31 March 2016</b>	<b>19,360,499</b>	<b>7,213,368</b>	<b>(584,195)</b>	<b>5,398,095</b>	<b>31,387,767</b>
Balance at 1 January 2017	20,323,996	6,249,871	97,018	4,274,614	30,945,499
Profit for the year	-	-	-	186,184	186,184
Other comprehensive income	-	-	612,844	-	612,844
<b>Balance at 31 March 2017</b>	<b>20,323,996</b>	<b>6,249,871</b>	<b>709,862</b>	<b>4,460,798</b>	<b>31,744,527</b>

The notes on pages 5 to 23 are an integral part of these financial statements.

**Transnational Corporation of Nigeria Plc**  
**Statement of Cash Flows**  
**For the Period Ended 31 March 2017**

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>31 March 2017 N'000</b>	<b>31 March 2016 N'000</b>	<b>31 March 2017 N'000</b>	<b>31 March 2016 N'000</b>
<b>Cash flows from operating activities</b>					
Cash generated from/(used in) operations	31	6,933,680	4,531,474	(334,184)	(1,169,213)
Tax paid		-	(570,372)	-	-
<b>Net cash flows generated from/(used in) operating activities</b>		<b>6,933,680</b>	<b>3,961,102</b>	<b>(334,184)</b>	<b>(1,169,213)</b>
<b>Cash flows from investing activities</b>					
Interest received	26	217,229	293,131	355,601	228,999
Liquidation of debt and equity securities		35,563	18,570	35,563	18,570
Purchase of property, plant and equipment	6	(2,962,779)	(3,391,232)	-	-
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(2,709,987)</b>	<b>(3,079,531)</b>	<b>391,164</b>	<b>247,569</b>
<b>Cash flows from financing activities</b>					
Net movement in borrowings		(1,048,773)	(1,066,820)	743,290	1,684,306
Interest payment	26	(2,394,277)	(1,812,439)	(800,624)	(765,164)
<b>Net cash flows (used in)/generated from financing activities</b>		<b>(3,443,050)</b>	<b>(2,879,259)</b>	<b>(57,334)</b>	<b>919,142</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>780,642</b>	<b>(1,997,688)</b>	<b>(354)</b>	<b>(2,502)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	15	<b>2,361,320</b>	<b>14,419,520</b>	<b>5,026</b>	<b>10,686</b>
<b>Foreign exchange loss/(gain) on cash and cash equivalents</b>		<b>315,342</b>	<b>17,711</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year</b>	15	<b>3,457,304</b>	<b>12,439,543</b>	<b>4,672</b>	<b>8,184</b>

The notes on pages 5 to 23 are an integral part of these financial statements.

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 31 March 2017

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### 1. General information

Transnational Corporation of Nigeria Plc, ("the Company" or "Transcorp"), was incorporated on 16 November, 2004 as a private limited liability Company domiciled in Nigeria in accordance with the requirements of the Companies and Allied Matters Act. Following a successful initial public offer (IPO), the Company was in December 2006, listed on the Nigerian Stock Exchange. The shares of the Company have continued to be traded on the floor of the Exchange. The Company is domiciled in Nigeria and the address of its registered office is 38 Glover Road, Ikoyi, Lagos, Nigeria.

The Company maintains controlling interests in the following companies. The Company, together with the subsidiaries are known as the Transcorp Group, ("the Group")

- Capital Leisure and Hospitality Limited
- Transcorp Hotels Plc
- Transcorp Hotels Calabar Limited
- Transcorp Energy Limited
- Teragro Commodities Limited
- Transcorp Power Limited
- Transcorp Staff Share Ownership Trust Company Limited
- Transcorp Properties Limited
- Transcorp OPL 281 Limited
- Transcorp Telecomms Limited
- Transcorp Trading and Logistic Limited
- Transcorp Refining Company Limited
- Transcorp Hotels Ikoyi Limited
- Transcorp Hotels Port Harcourt Limited

The Company's business is investment and operation of portfolio companies in the hospitality, power, agro-allied and oil & gas sectors.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the Companies and Allied Matters Act (CAMA), IAS 34 Interim Financial Reporting, International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements have been prepared on a historical cost basis except for available-for-sale financial assets, financial assets and liabilities and investment property – measured at fair value.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

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

The financial statements have been prepared on a historical cost basis except for the fair value basis applied to certain intangible assets, investment property and equity investments.

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

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 31 March 2017

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### 3. Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The Board has established the Finance and Investment Committee, who is responsible for developing and monitoring the group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risk 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 by the executive management to reflect changes in the market conditions and the Group's activities.

The Board oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board is supported by various management functions that check and undertake both regular and ad hoc reviews of compliance with established controls and procedures.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group does not hedge any of its risk exposures.

(a) The condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

Risk management is carried out in line with policies approved by the board of directors. The board provides written policies for overall risk management, as well as set the overall risk appetite for the Group. Specific risk management approaches are defined for respective risks such as interest rate risk, credit risk, liquidity and investment risk. The Group's overall risk management program seeks to minimize potential adverse effects on the Group's financial performance.

(b) There have been no changes in any risk management policies since the year end

#### (a) Market risk

##### (i) Foreign exchange risk

Foreign exchange risks arise from future commercial transactions and recognised assets and liabilities. The Group makes payments and receipts primarily in Nigerian Naira. Periodically however, receipts and payments are made in other currencies, mostly in the US Dollars.

The Group is exposed to risks resulting from fluctuations in foreign currency exchange rates. A material change in the value of any such foreign currency could result in a material adverse effect on the Group's cash flow and future profits. The Group is exposed to exchange rate risk to the extent that balances and transactions denominated in a currency other than the Nigerian Naira. The group holds the majority of its cash and cash equivalents in Naira.

In managing foreign exchange risk, the Group aims to reduce the impact of short-term fluctuations on earnings. The Group's significant exposure to currency risk relates to its loan facilities and cash and cash equivalents that are mainly in US Dollars. Although the Group has various measures to mitigate exposure to foreign exchange rate movement over the longer term, the gains/losses on foreign exchange balances impact on the profit or loss. The Group's approach to managing foreign exchange risk is to hold foreign currency bank accounts. The Group monitors the movement in the currency rates on an on-going basis.

There have been no changes in any risk management policies since the year end.

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

### For the Period Ended 31 March 2017

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#### 3.1 Financial risk factors (continued)

##### (ii) Price risk

The Group is exposed to equity securities price risk because of investments classified on the statement of financial position as equity investments available for sale and measured at fair value through other comprehensive income. The Group is not exposed to commodity price risk. To manage its price risk arising from investments in equity securities, the Group engages a third party expert; United Capital Securities Limited who offers advice on sale and purchase. The company recorded significant movement in investment in equity securities as a result of a decline in the market unit price of equity investment.

##### (iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from short term and long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's policy on managing interest rate risk is to negotiate favourable terms with the bank(s) to reduce the impact of its exposure to this risk. The interest rate risk is significantly concentrated with United Bank of Africa Plc (UBA) being the major lender to the Group.

##### (b) Credit risk

Credit risk arises from cash and cash equivalents, deposits and debt securities with banks and financial institutions as well as credit exposures to customers, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group does not have any significant concentrations of credit risk.

Credit risk is managed by the Chief Executive Officer and the Chief Finance Officer, except for credit risk relating to trade receivable balances.

There is no credit rating for the company's debt securities,

Most of the Group's trade customers are not independently rated, therefore the quality of the customer is considered by taking into account its financial position, past experience and other factors. Each subsidiary is responsible for managing and analysing the credit risk for each of their new customers before standard delivery terms and conditions are offered. The continuous credit worthiness of the existing customers is analysed periodically based on history of performance of the obligations and settlement of their debt. The Group does not hold any collateral as security. No receivables have had their terms renegotiated.

##### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Cash flow forecasts are prepared by the Group Chief Finance Officer to monitor the Group's liquidity requirements and ensure it has sufficient cash to meet operational needs at all times so that the Group does not breach borrowing limits on any of its borrowing facilities. Such forecasts take into consideration the Group's committed and expected debt financing plans, internal and administrative cashflow requirements in arriving at the headroom for investments.

Surplus cash held by the Group over and above the balance required for working capital management are invested in debt

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to in order to maximise returns for shareholders.

Consistent with others in the industry, the Group monitors capital on a monthly basis using the gearing ratio. This ratio is calculated as total debt divided by total equity. Total debt is a sum of the short and long term borrowings. Total equity is calculated as the sum of all equity components of the statement of financial position.

In order to maintain or adjust the capital structure, the Group may increase or reduce its borrowings to obtain an appropriate gearing ratio.



# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 31 March 2017

### 3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- (Level 1): Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (Level 2): Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- (Level 3): Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Assets	At 31 March 2016			Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value through other comprehensive income</b>				
Equity securities at fair value through OCI	2,785,224	-	-	2,785,224

Assets	At 31 December 2016			Total
	Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>				
Equity securities at fair value through profit or loss	2,207,943	-	-	2,207,943

There were no transfers between levels 1 and 2 during the year.

#### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments listed on the Nigerian Stock Exchange (NSE) classified as equity securities at fair value through other comprehensive income.

## 4. Critical accounting estimates and judgments

### 4.1 Critical accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires the directors to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on the directors' experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the Group has made in the preparation of the financial statements:

#### Impairment of goodwill

The Group reviews goodwill at least annually and other non-financial assets when there is any indication that the asset might be impaired. The Group has estimated the value in use and fair value of operating segments to which goodwill is allocated using discounted cash flow models that required assumptions about future cash flows, margins, and discount rates. See note 7 for methods and assumptions used in estimating net recoverable amount.

### 4.2 Critical judgements in applying the entity's accounting policies

Consolidation of entities in which the Group holds less than 50%:

even though the Group's interest is only 1%. Control has been determined based on the following considerations:

- The Group directs the activities that significantly affect the entity's returns
- Transcorp is exposed to variable returns from its involvement with the entity as the residual shares in the scheme belong to the Company.
- Transcorp has the ability to use its power to affect the returns from its involvement with the entity

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 31 March 2017

### Segment analysis

#### The Group

The chief operating decision-maker has been identified as the Board of Directors of Transcorp. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. The directors have determined the operating segments based on these reports. The Board considers the business from an industry perspective and has identified 5 operating segments.

#### i Hospitality

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

#### ii Agro-allied

This relates to a subsidiary Teragro Commodities Limited. The subsidiary is engaged in the manufacturing/processing of fruit concentrates from fruits from which the Group derives revenue.

#### iii Power

This relates to a subsidiary Transcorp Power Limited (TPL). The subsidiary is engaged in generation of electric power.

#### iv Oil & Gas

Two subsidiaries make up the oil & gas segment namely Transcorp Energy Limited and Transcorp OPL 281 Limited. The companies are into the exploration, refining and marketing of petroleum products. The subsidiaries are in the start-up phase and have not started generating revenue.

#### v Corporate Centre

This segment is the parent Company, Transnational Corporation of Nigeria Plc and the other non-operational subsidiaries.

The Board assesses the performance based on operating profits for each operating segment that is reviewed by the Board. Other information provided, except as noted below, to the Board is measured in a manner consistent with that of the financial statements.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the group is measured in a manner consistent with that in the income statement.

Total segment assets exclude tax related assets. These are included in the reconciliation to the total statement of financial position assets.

As at 31 March 2017	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	2,988,093	-	-	12,779,703	836,111	(836,111)	15,767,796
Finance income	105,364	-	-	5	355,601	(243,741)	217,228
Finance cost	-	-	-	1,967,030	800,624	(58,035)	2,709,619
Depreciation and amortisation	255,787	-	-	551,717	2,922	-	810,426
Profit/(loss) before taxation	535,636	-	-	2,126,094	269,795	(1,196,817)	1,734,708
Taxation	154,762	-	-	-	83,611	-	238,373
Segmental assets	93,550,470	3,715,189	383,284	115,825,142	57,251,290	(25,851,622)	244,873,753
Segmental liabilities	38,467,918	4,488,913	1,587,398	100,268,642	25,513,290	(14,010,183)	156,315,978
Net assets	55,082,552	(773,724)	(1,204,114)	15,556,500	31,738,000	(11,841,438)	88,557,776

#### As at 31 March 2016

	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	3,677,336	-	10,711	9,504,781	1,032,336	(1,032,335)	13,192,829
Finance income	189,676	-	-	1	228,999	(125,545)	293,131
Finance cost	-	-	(8,635)	(1,164,185)	(765,164)	125,545	(1,812,439)
Depreciation and amortisation	(236,750)	-	(4,854)	(543,619)	(3,890)	-	(789,113)
Profit/(loss) before taxation	1,385,683	-	(47,761)	1,174,904	377,622	(1,160,513)	1,729,935
Taxation	(420,890)	-	-	-	(103,234)	-	(524,124)
Segmental assets	90,207,668	3,812,157	383,284	115,773,276	58,104,077	(36,119,731)	232,160,731
Segmental liabilities	35,451,444	4,742,073	1,587,398	102,341,915	27,596,240	(26,006,936)	145,712,134
Net assets	54,756,224	(929,916)	(1,204,114)	13,431,361	30,507,837	(10,112,795)	86,448,597

Revenues from transactions with other operating segments relates to dividend income from Transcorp Hotels Plc and Transcorp Power Limited to the Company, Transnational Corporation of Nigeria Plc.

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 31 March 2017

### Segment Analysis (continued)

#### Reconciliations of reportable segment revenues, profit or loss, assets and liabilities.

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

	31 March 2017 N'000	31 March 2016 N'000
<b>Revenue</b>		
Total revenue for reportable segments	16,603,907	14,225,164
Elimination of inter-segment revenue (i)	(836,111)	(1,032,335)
External revenue	15,767,796	13,192,829
<b>Profit or loss</b>		
Total (loss) or profit for reportable segments	2,931,525	2,890,448
Elimination of inter-segment profits (ii)	(1,196,817)	(1,160,513)
Consolidated (loss) or profit before taxation	1,734,708	1,729,935
	<b>31 March 2017</b>	<b>31 December 2016</b>
<b>Assets</b>		
Total assets of reportable segments	270,725,375	268,280,462
Consolidation eliminations (iii)	(25,851,622)	(36,119,731)
Consolidated total assets	244,873,753	232,160,731
<b>Liabilities</b>		
Total liabilities of reportable segments	171,719,070	146,159,117
Consolidation eliminations (iv)	(15,403,092)	(446,983)
Consolidated total liabilities	156,315,978	145,712,134

The nature of differences between the measurements of the reportable segment's assets/liabilities and the assets/liabilities of the Group is as follows:

### Segment analysis (continued)

(i) Elimination of inter-segment revenue relates to dividend income from Transcorp Power Limited and Transcorp Hotels to Transnational Corporation of Nigeria.

(ii) Elimination of inter-segment profits relates to dividend income between the segments and other income arising from transactions with non-controlling interests.

(iii) Investments of Transnational Corporation of Nigeria Plc in its subsidiaries and investment of Transcorp Hotels Plc in Transcorp Hotels Calabar Limited, Transcorp Hotels Port Harcourt Limited and Transcorp Hotels Ikoyi limited respectively accounts for the consolidation eliminations of total assets of reportable segments. Inter-segment receivables were also eliminated to arrive at the consolidated total assets.

(iv) Inter-segment payables, dividend payable to segments within the Group and management fees payable and interest payable to Transnational Corporation of Nigeria Plc from Transcorp Hotels Plc accounts for the consolidation eliminations in total liabilities of the reportable segments.

### Entity-wide information

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

	31 March 2017 N'000	31 March 2016 N'000
Analysis of revenue by category:		
Rooms	1,852,192	2,488,897
Food and beverage	845,420	882,844
Shop rental	193,788	175,750
Service charge	28,960	3,343
Other operating revenue	67,733	126,503
Juice concentrate	-	10,711
Capacity charge	4,500,751	3,245,886
Energy sent out	8,228,852	6,258,895
Ancillary services	50,100	-
<b>Total</b>	<b>15,767,796</b>	<b>13,192,829</b>

The Group is domiciled in Nigeria where it generates all its external revenue. The total non-current assets of the Group are all located in Nigeria.

**Transnational Corporation of Nigeria Plc**  
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**For the Period Ended 31 March 2017**

**6 Property, plant and equipment (PP&E)**

<b>Group</b>	<b>Land</b>	<b>Building &amp; improvements</b>	<b>Plant &amp; machinery</b>	<b>Furniture &amp; fittings</b>	<b>Computer &amp; office equipments</b>	<b>Motor vehicles</b>	<b>Capital work in progress</b>	<b>Total</b>
<b>Cost</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Balance as at 1 January 2016	35,400,258	17,235,252	50,992,918	2,844,500	61,484	702,524	15,856,369	123,093,305
Additions	188,487	371,502	1,170,987	233,565	64,177	10,701	16,021,900	18,061,319
Reclassification	-	-	39,695	106,847	-	-	(146,542)	-
Disposals	-	-	(2,172)	-	(2,111)	(24,970)	-	(29,253)
<b>Balance as at 31 December 2016</b>	<b>35,588,745</b>	<b>17,606,754</b>	<b>52,201,428</b>	<b>3,184,912</b>	<b>123,550</b>	<b>688,255</b>	<b>31,731,727</b>	<b>141,125,371</b>
Balance as at 1 January 2017	35,588,745	17,606,754	52,201,428	3,184,912	123,550	688,255	31,731,727	141,125,371
Additions	-	24,078	71,908	30,046	-	17,300	2,819,447	2,962,779
Reclassification	-	-	2,755,684	-	-	-	(2,755,684)	-
Disposals	-	-	-	(305)	-	(40,554)	-	(40,859)
<b>Balance as at 31 March 2017</b>	<b>35,588,745</b>	<b>17,630,832</b>	<b>55,029,020</b>	<b>3,214,653</b>	<b>123,550</b>	<b>665,001</b>	<b>31,795,490</b>	<b>144,047,291</b>
<b>Depreciation and impairment losses</b>								
Balance as at 1 January 2016	-	1,846,480	9,134,877	2,007,772	22,117	321,029	-	13,332,275
Depreciation	-	413,720	2,342,344	256,548	29,023	109,697	-	3,151,332
Disposals	-	-	(1,312)	-	(405)	(17,080)	-	(18,797)
<b>Balance as at 31 December 2016</b>	<b>-</b>	<b>2,260,200</b>	<b>11,475,909</b>	<b>2,264,320</b>	<b>50,735</b>	<b>413,646</b>	<b>-</b>	<b>16,464,810</b>
Balance as at 1 January 2017	-	2,260,200	11,475,909	2,264,320	50,735	413,646	-	16,464,810
Depreciation	-	104,009	608,059	72,163	44	21,509	-	805,784
Disposals	-	-	-	(51)	-	(17,559)	-	(17,610)
<b>Balance as at 31 March 2017</b>	<b>-</b>	<b>2,364,209</b>	<b>12,083,968</b>	<b>2,336,432</b>	<b>50,779</b>	<b>417,596</b>	<b>-</b>	<b>17,252,984</b>
<b>Net book value</b>								
At 31 December 2016	<b>35,588,745</b>	<b>15,346,554</b>	<b>40,725,519</b>	<b>920,592</b>	<b>72,815</b>	<b>274,609</b>	<b>31,731,727</b>	<b>124,660,561</b>
At 31 March 2017	<b>35,588,745</b>	<b>15,266,623</b>	<b>42,945,052</b>	<b>878,221</b>	<b>72,771</b>	<b>247,405</b>	<b>31,795,490</b>	<b>126,794,307</b>

**Transnational Corporation of Nigeria Plc**  
**Notes to the Financial Statements**  
**For the Period Ended 31 March 2017**

**6 Property, plant and equipment (continued)**

<b>Company</b>	<b>Building &amp; improvements N'000</b>	<b>Plant &amp; Machinery N'000</b>	<b>Furniture &amp; fittings N'000</b>	<b>Computer &amp; office equipments N'000</b>	<b>Motor vehicles N'000</b>	<b>Total N'000</b>
<b>Cost</b>						
Balance as at 1 January 2016	28,294	4,618	29,608	27,008	13,975	103,503
Additions	568	-	-	280	-	848
Disposals	-	-	-	-	(6,000)	(6,000)
<b>Balance as at 31 December 2016</b>	<b>28,862</b>	<b>4,618</b>	<b>29,608</b>	<b>27,288</b>	<b>7,975</b>	<b>98,351</b>
Balance as at 1 January 2017	28,862	4,618	29,608	27,288	7,975	98,351
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>28,862</b>	<b>4,618</b>	<b>29,608</b>	<b>27,288</b>	<b>7,975</b>	<b>98,351</b>
<b>Depreciation and impairment losses</b>						
Balance as at 1 January 2016	19,082	1,124	15,339	21,751	11,192	68,488
Depreciation for the year	5,540	672	4,008	2,549	1,035	13,804
Disposals	-	-	-	-	(5,191)	(5,191)
<b>Balance as at 31 December 2016</b>	<b>24,622</b>	<b>1,796</b>	<b>19,347</b>	<b>24,300</b>	<b>7,036</b>	<b>77,101</b>
Balance as at 1 January 2017	24,622	1,796	19,347	24,300	7,036	77,101
Depreciation for the year	1,201	168	1,179	44	259	2,851
Disposals	-	-	-	-	-	-
<b>Balance as at 31 March 2017</b>	<b>25,823</b>	<b>1,964</b>	<b>20,526</b>	<b>24,344</b>	<b>7,295</b>	<b>79,952</b>
<b>Net book value</b>						
At 31 December 2016	<b>4,240</b>	<b>2,822</b>	<b>10,261</b>	<b>2,988</b>	<b>939</b>	<b>21,250</b>
At 31 March 2017	<b>3,039</b>	<b>2,654</b>	<b>9,082</b>	<b>2,944</b>	<b>680</b>	<b>18,399</b>

**Depreciation is allocated as follows;**

Cost of sales  
Administrative expenses

<b>Group</b>	
<b>2017</b>	<b>2016</b>
<b>N'000</b>	<b>N'000</b>
542,069	535,736
263,715	252,822
<b>805,784</b>	<b>788,558</b>

All depreciation expenses for the company are charged to administrative expenses.

**Transnational Corporation of Nigeria Plc**  
**Notes to the Financial Statements**  
**For the Period Ended 31 March 2017**

7 Intangible assets	Group					Company		
	Goodwill	Computer software	Oil Prospecting License	Exploration and evaluation expenditure	Total	Computer software	Oil Prospecting License	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2016	30,934,143	145,040	5,075,818	2,818,412	38,973,413	12,966	5,075,818	5,088,784
Addition	-	65,206	-	24,686	89,892	-	-	-
<b>As at 31 December 2016</b>	<b>30,934,143</b>	<b>210,246</b>	<b>5,075,818</b>	<b>2,843,098</b>	<b>39,063,305</b>	<b>12,966</b>	<b>5,075,818</b>	<b>5,088,784</b>
At 1 January 2017	30,934,143	210,246	5,075,818	2,843,098	39,063,305	12,966	5,075,818	5,088,784
Addition	-	-	-	-	-	-	-	-
<b>As at 31 March 2017</b>	<b>30,934,143</b>	<b>210,246</b>	<b>5,075,818</b>	<b>2,843,098</b>	<b>39,063,305</b>	<b>12,966</b>	<b>5,075,818</b>	<b>5,088,784</b>
<b>Accumulated amortisation</b>								
At 1 January 2016	-	86,663	-	-	86,663	12,399	-	12,399
Amortisation charge	-	24,673	-	-	24,673	283	-	283
<b>As at 31 December 2016</b>	<b>-</b>	<b>111,336</b>	<b>-</b>	<b>-</b>	<b>111,336</b>	<b>12,682</b>	<b>-</b>	<b>12,682</b>
At 1 January 2017	-	111,336	-	-	111,336	12,682	-	12,682
Amortisation charge (Note 25)	-	4,643	-	-	4,643	71	-	71
<b>As at 31 March 2017</b>	<b>-</b>	<b>115,979</b>	<b>-</b>	<b>-</b>	<b>115,979</b>	<b>12,753</b>	<b>-</b>	<b>12,753</b>
<b>Net book value</b>								
<b>At 31 December 2016</b>	<b>30,934,143</b>	<b>98,910</b>	<b>5,075,818</b>	<b>2,843,098</b>	<b>38,951,969</b>	<b>284</b>	<b>5,075,818</b>	<b>5,076,102</b>
<b>At 31 March 2017</b>	<b>30,934,143</b>	<b>94,267</b>	<b>5,075,818</b>	<b>2,843,098</b>	<b>38,947,326</b>	<b>213</b>	<b>5,075,818</b>	<b>5,076,031</b>

Goodwill is not amortised but tested for impairment annually.

The remaining amortisation period for computer software cost is between 3 to 6 years.

The Production Sharing Contract between Transcorp and the Nigerian National Petroleum Corporation was signed by the Federal Government of Nigeria on 2 May 2014. Per the agreement, the exploration period is for 5 years after which the OPL converts to an Oil Mining License for a period of 20 years. Amortisation of the OPL cost will commence when it has been determined that commercial quantity of crude can be produced from the oil field and mining commences.

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

### For the Period Ended 31 March 2017

#### 7 Intangible assets (continued)

All expenditure related to the exploration and evaluation activities were capitalised during the year.

	31 March 2017	31 December 2016
<b>Goodwill has been allocated to the following Cash Generating Units (CGUs)</b>	<b>N'000</b>	<b>N'000</b>
Transcorp Hotels Calabar Limited (THC)	863,163	863,163
Transcorp Hotels Plc (THP)	20,369,790	20,369,790
Transcorp Power Limited (TPL)	9,701,190	9,701,190
	<b>30,934,143</b>	<b>30,934,143</b>

Goodwill arose from the excess of the consideration over acquisition-date fair values of identifiable assets and liabilities of subsidiaries acquired. The goodwill amount relates to pre-existing goodwill from previous business combinations.

#### 8 Investment property

Non-current assets - at fair value

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 January	1,706,600	1,706,600	1,706,600	1,706,600
Additions	-	-	-	-
Fair value gain on investment property	-	-	-	-
Transfer to property, plant and equipment	-	-	-	-
Fair value loss on investment properties	-	-	-	-
At 31 March	<b>1,706,600</b>	<b>1,706,600</b>	<b>1,706,600</b>	<b>1,706,600</b>

Investment property at 31 March 2017 relates to a piece of land at Rumens Road Ikoyi measuring approximately 4,876.15 square meters. An independent valuation of the Company's land was performed by Ubosi Eleh and Co to determine the fair value of the land as at 31 December 2016.

The title to this property was revoked in a Newspaper publication dated 29 May 2015 by a revocation order of the Minister of Lands, Housing & Urban Development.

A suit has been filed at Federal High Court challenging the legality of the revocation. An interim Order of injunction was obtained restraining Minister of Lands, Housing & Urban Development from giving effect to the revocation order (FHC/L/CS/794/2015 TNC V AG FEDERATION & MINISTER OF LANDS). The court subsequently struck out the suit while ruling on a preliminary objection challenging its jurisdiction.

The company filed a notice of appeal against the ruling of the Federal High Court and an application for stay of proceedings both at the Court of Appeal and the Federal High Court. The Federal High Court granted the Company's application and stayed proceedings in the suit pending the determination of the appeal.

As at the date of the approval of these financial statements, the directors, based on representation from their legal advisers expects that there is no likelihood of unfavourable outcome in the suit.

The table below analyses the non-financial assets carried at fair value, by valuation method. The current market prices of the land were used to determine the fair value as at these dates.

Fair value is measured through the following:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

#### Recurring fair value measurements

Land

There were no transfers between levels 1 and 2 during the year.

<b>Fair value measurements at 31 March 2017 using (N'000)</b>		
<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
-	1,706,600	-

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

### For the Period Ended 31 March 2017

#### 8 Investment property (continued)

##### Valuation techniques used to derive level 2 fair values

Level 2 fair values of land have been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

#### 9 Investment in subsidiaries

Transcorp Hotels Plc  
Transcorp Power Limited  
Other subsidiaries companies

Company	
31 March 2017	31 December 2016
N'000	N'000
19,618,523	19,618,523
7,860,464	7,860,464
50,900	50,900
27,529,887	27,529,887

Movement in investment in subsidiaries is analysed as follows:

At 1 January  
Liquidation of subsidiaries  
At 31 March

Company	
31 March 2017	31 December 2016
N'000	N'000
27,529,887	27,549,287
-	(19,400)
27,529,887	27,529,887

Investments in subsidiary companies eliminated on consolidation is shown below:

Transnational Corporation investment in subsidiary:

	31 March 2017	31 December 2016
	N'000	N'000
Transcorp Hotels Plc (THP)	19,618,523	19,618,523
Transcorp Properties Limited	10,000	10,000
Transcorp Power Limited	7,860,464	7,860,464
Transcorp OPL 281 Limited	500	500
Transcorp Energy Limited	9,900	9,900
Teragro Commodities Limited	9,500	9,500
Transcorp Refining Company Limited	1,000	1,000
Transcorp Trading and Logistics Limited	10,000	10,000
Transcorp Telecomms Limited	10,000	10,000
	27,529,887	27,529,887

##### THP investment in subsidiary:

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
	3,529,781	3,529,781

Transcorp Refining Company Limited, Transcorp Telecomms Limited, Transcorp Trading and Logistics Limited are dormant and are undergoing winding up proceedings. The subsidiaries to be wound up have no assets, liabilities, income or expenses as these subsidiaries were incorporated but no further activities were performed. Hence, there are no assets held for sale and no income or expenses from discontinued operations.



**Transnational Corporation of Nigeria Plc**  
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**10 Deferred tax**

The gross movement on the deferred income tax account is as follows:

Deferred tax assets  
Deferred tax liabilities

<b>Group</b>	
<b>31 March 2017</b>	<b>31 December 2016</b>
<b>N'000</b>	<b>N'000</b>
3,356,550	3,356,550
(7,158,798)	(7,158,798)
<b>(3,802,248)</b>	<b>(3,802,248)</b>
(8,405,601)	(8,405,601)
(2,774,698)	(2,774,698)
7,367,850	7,367,850
10,201	10,201
<b>(3,802,248)</b>	<b>(3,802,248)</b>

**Deferred tax**

Accelerated tax depreciation  
Fair value on revaluation  
Unrealised FX losses  
Tax losses carried forward

	<b>Accelerated tax depreciation N'000</b>	<b>Fair value on revaluation N'000</b>	<b>Unrealised FX losses N'000</b>	<b>Tax losses carried forward N'000</b>	<b>Total N'000</b>
At 1 January 2016	8,919,550	2,774,698	-	(100,613)	11,593,635
Credited to the income statement	(513,949)	-	(1,097,940)	90,412	(1,521,477)
At 31 December 2016	8,405,601	2,774,698	(7,367,850)	(10,201)	3,802,248
At 1 January 2017	8,405,601	2,774,698	(7,367,850)	(10,201)	3,802,248
Credited to income statement	-	-	-	-	-
At 31 March 2017	8,405,601	2,774,698	(7,367,850)	(10,201)	3,802,248

**11 Prepaid lease rental**

At 1 January  
Addition  
Utilisation  
At 31 December  
  
Less: minimum lease payments for the next 12 months  
Non current lease payments  
Non current lease payments has been analysed as follows:  
Due between 1 to 5 years

<b>Group</b>	
<b>31 March 2017</b>	<b>31 December 2016</b>
<b>N'000</b>	<b>N'000</b>
88,704	35,000
-	83,704
-	(30,000)
88,704	88,704
(30,000)	(30,000)
58,704	58,704
58,704	58,704

**12 Inventories**

Food and beverage  
Fuel/lubricant  
Spares  
Guest supplies  
Finished goods  
Packaging materials  
Other sundry stock

<b>Group</b>	
<b>31 March 2017</b>	<b>31 December 2016</b>
<b>N'000</b>	<b>N'000</b>
212,022	215,486
113,262	56,075
4,341,776	4,368,435
115,792	66,474
1,170	1,170
8,752	8,752
10,215	6,153
<b>4,802,989</b>	<b>4,722,545</b>

**Transnational Corporation of Nigeria Plc**  
**Notes to the Financial Statements**  
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**13 Trade and other receivables**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Trade receivables	57,933,966	48,931,779	-	-
Less: provision for impairment (a)	(868,288)	(778,288)	-	-
Trade receivables - net	57,065,678	48,153,491	-	-
Other receivables	4,089,857	4,425,799	2,916,282	3,468,640
Prepayments	814,405	521,929	153,332	67,378
Due from related companies	964,809	1,003,320	17,060,862	15,546,760
Dividend receivable	-	-	-	2,284,117
	62,934,749	54,104,539	20,130,476	21,366,895

**a Provision for impairment of trade receivables**

	<b>Group</b>	
	<b>31 March 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>
Balance at 1 January	778,288	589,973
Impairment losses recognised on receivables	90,000	188,315
Balance at 31 March	868,288	778,288

A significant portion of the increase in trade receivable relates to receivable from the Transmission Company of Nigeria Plc and Nigerian Bulk Electricity Trading Plc which are the government regulated bodies for the power business.

**14 Debt and equity securities**

	<b>Group and Company</b>	
	<b>31 March 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>
<b>Current portion</b>		
Fixed income investment	-	-
<b>Non-current portion</b>		
Equity securities at fair value through OCI	2,785,224	2,207,943
	2,785,224	2,207,943

See movement in debt and equity securities below:

	<b>2017</b>		<b>2016</b>	
	<b>Equity securities</b>	<b>Fixed income investment</b>	<b>Equity securities</b>	<b>Fixed income investment</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 January	2,207,943	-	1,764,937	358,887
Fair value gain/(loss)	612,844	-	547,479	-
Liquidation	(35,563)	-	(104,473)	(18,519)
Impairment	-	-	-	(340,368)
At 31 March	2,785,224	-	2,207,943	-

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15 Cash and cash equivalents	Group		Company	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	N'000	N'000	N'000	N'000
Cash and bank balance	3,457,304	2,361,320	4,672	5,026

Included in cash and bank balance for the Group is balance held at First Bank of Nigeria Plc of N210 million which is restricted due to a current court lien placed on it since May 2012 as a result of an existing court case between Lagos State Government and defunct Power Holding Company of Nigeria (PHCN).

16 Trade and other payables	Group		Company	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	N'000	N'000	N'000	N'000
Trade creditors	32,748,550	26,820,960	-	-
Accruals and other liabilities	5,081,719	3,954,729	272,523	224,028
Unearned income	5,046,847	41,379	-	-
Deposit from guests	119,630	126,573	-	-
VAT payable	39,809	55,618	-	-
Dividend payable	-	524,215	-	-
Due to related companies	47,775	63,002	3,201,027	5,454,253
	43,084,331	31,586,476	3,473,550	5,678,281

17 Taxation	Group		Company	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	N'000	N'000	N'000	N'000
Income tax	145,089	1,629,876	-	155,405
Education tax	9,673	15,193	-	-
	154,762	1,645,069	-	155,405
Tax on franked investment income	83,611	253,763	83,611	253,763
Deferred tax (Note 10)	-	(6,700,182)	-	-
	238,373	(4,801,350)	83,611	409,168

The movement in tax payable is as follows:

	Group		Company	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	N'000	N'000	N'000	N'000
At 1 January	4,137,597	5,695,106	196,580	202,198
Provision for the year	154,762	1,645,069	-	155,405
Payment during the year	-	(3,202,578)	-	(161,023)
<b>At 31 March</b>	<b>4,292,359</b>	<b>4,137,597</b>	<b>196,580</b>	<b>196,580</b>

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**18 Borrowings**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2017</b>	<b>31 December 2016</b>	<b>31 March 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Falling due within a year</b>				
Bank borrowings	6,231,818	19,483,819	5,309,039	10,987,060
Unsecured bond	6,116,876	6,116,876	-	-
	<b>12,348,694</b>	<b>25,600,695</b>	<b>5,309,039</b>	<b>10,987,060</b>
<b>Falling due after one year</b>				
Bank borrowings	70,574,948	58,371,720	14,652,593	8,231,283
Unsecured bond	14,571,848	14,571,848	-	-
	<b>85,146,796</b>	<b>72,943,568</b>	<b>14,652,593</b>	<b>8,231,283</b>
<b>Total</b>	<b>97,495,490</b>	<b>98,544,263</b>	<b>19,961,632</b>	<b>19,218,343</b>

**19 Deposit for shares**

Based on the Memorandum of Understanding between Transcorp Hotels Plc and Heirs Holdings Limited, Transcorp Hotels Ikoyi Limited (THIL) will issue shares to Heirs Holdings Limited on completion of the construction and start of operation of the hotel.

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

**20 Advance deposits**

	<b>Group &amp; company</b>	
	<b>31 March 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>
Sacoil / Equity, Energy and Resource (EER) farm-in fees	1,875,000	1,875,000

Advance deposits of N1.875 billion relates to an advance payment of \$12.5million received from EER/Sacoil as farm-in fees for Oil Prospecting License 281 (OPL 281).

The Production Sharing Contract (PSC) with NNPC was signed on 2 May 2014. The farm-in process has not been completed. In 2015, Sacoil indicated its intention to discontinue its interest in the OPL 281 and has served the Company with a notice to refund its farm-in fees with accrued interest totaling \$19 million. The Company is currently contesting this refund request in court and there is a counter claim in this respect.

**21 Revenue**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
The group derives the following types of revenue:				
Rooms	1,852,192	2,488,897	-	-
Food and beverage	845,420	882,844	-	-
Shop rental	193,788	175,750	-	-
Service charge	28,960	3,343	-	-
Other operating revenue	67,733	126,503	-	-
Juice concentrate	-	10,711	-	-
Dividend income	-	-	836,111	1,032,336
Capacity charge	4,500,751	3,245,886	-	-
Energy sent out	8,228,852	6,258,895	-	-
Ancillary services	50,100	-	-	-
	<b>15,767,796</b>	<b>13,192,829</b>	<b>836,111</b>	<b>1,032,336</b>

All recognised revenue were generated in Nigeria.

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**22 Cost of sales**

	<b>Group</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>N'000</b>	<b>N'000</b>
Rooms	143,345	5,214
Staff costs	574,940	831,712
Food and beverage	320,866	246,136
Natural gas and fuel costs	6,718,840	4,986,175
Direct materials	-	9,926
Other direct expenses	119,555	101,284
Repairs and maintenance	348,122	504,379
Depreciation	542,069	535,736
Insurance	49,914	55,762
Other operating departments	9,885	6,093
	<b>8,827,536</b>	<b>7,282,417</b>

**23 Other income**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Management fees from subsidiaries	-	-	175,000	139,564
Profit/ (loss) on fixed asset disposal	(23,248)	3,500	-	-
Other income	6,260	14,427	5,242	-
	<b>(16,988)</b>	<b>17,927</b>	<b>180,242</b>	<b>139,564</b>

**24 Other gains/(losses) - net**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Included in profit or loss</b>				
Foreign exchange gain/(loss)	20,045	17,711	-	-
	<b>20,045</b>	<b>17,711</b>	<b>-</b>	<b>-</b>
<b>Included in other comprehensive income</b>				
Fair value gain/(loss) on equity securities	612,844	(108,328)	612,844	(108,328)

**25 Administrative and general expenses**

	<b>Group</b>		<b>Company</b>	
	<b>31 March 2017</b>	<b>31 March 2016</b>	<b>31 March 2017</b>	<b>31 March 2016</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Staff costs	463,371	440,164	80,234	75,933
Depreciation	263,714	252,822	2,851	3,663
Amortisation	4,643	555	71	227
Auditors' remuneration	17,412	20,382	8,750	8,750
Management and incentive fees	591,399	440,831	102,083	97,222
Professional fees	66,476	33,560	18,227	9,575
Director's remuneration	65,768	68,566	24,506	25,363
Rent and rates	7,500	7,500	7,500	7,500
Repairs and maintenance	136,845	115,372	1,448	624
Advertising	-	5,667	-	225
Group service benefits	55,910	137,353	-	-
Insurance	585	3,200	555	3,200
Electricity and diesel cost	306,737	247,382	4,997	1,487
Travel and accommodation	20,078	52,654	9,101	2,990
Licenses and fees	15,973	12,089	15,973	12,064
Marketing and promotion	65,226	3,562	-	-
Bank charges	59,652	26,632	284	253
Provision for bad debts	90,000	-	-	-
Other operating expenses	484,930	828,516	24,955	9,037
	<b>2,716,219</b>	<b>2,696,807</b>	<b>301,535</b>	<b>258,113</b>

Other operating expenses include costs incurred on security services, subscription and fees and lease rentals.

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 31 March 2017

### 26 Finance costs and income

	Group		Company	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	N'000	N'000	N'000	N'000
<b>Finance costs:</b>				
Interest expense on loans	2,394,277	1,812,439	800,624	765,164
Foreign exchange loss on borrowings	315,342	-	-	-
Interest expense on loans	2,709,619	1,812,439	800,624	765,164
<b>Finance income:</b>				
Interest on loan	217,229	293,131	355,601	228,999
Interest on bank deposits	-	-	-	-
Interest to unwind discounted receivable	-	-	-	-
	217,229	293,131	355,601	228,999
Net finance costs	2,492,390	1,519,308	445,023	536,165

### 27 Net foreign exchange losses

The exchange differences charged/credited to the income statement are included as follows:

	Group		Company	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	N'000	N'000	N'000	N'000
Foreign exchange loss on borrowings	315,342	-	-	-

### 28 Earnings per share

Basic earnings/ (loss) per share is calculated by dividing the profit/ (loss) attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares.

	Group		Company	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	N'000	N'000	N'000	N'000
Profit attributable to shareholders	368,700	454,433	186,184	274,388
Weighted average number of ordinary shares in issue	40,647,991	38,720,997	40,647,991	38,720,997
Basic earnings per share (Kobo)	0.91	1.12	0.46	0.71
Diluted earnings per share (Kobo)	0.91	1.12	0.46	0.71

### 29 Share capital

#### a Authorised:

	Group		Company	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
45,000,000,000 ordinary shares of 50kobo each	22,500,000	22,500,000	22,500,000	22,500,000

Allotted, called up and fully paid:

Group and Company			
	Number of shares (thousands)	Ordinary shares N'000	Total N'000
At 1 January 2017	40,647,991	20,323,996	20,323,996
Bonus issue	-	-	-
At 31 March 2017	40,647,991	20,323,996	20,323,996

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 31 March 2017

### b Share premium

Group and Company	
31 March 2017	31 December 2016
N'000	N'000
At 1 January	6,249,871
Bonus issue	-
At 31 March	6,249,871

### c Treasury shares

Treasury shares represent the Company's shares held by the Transcorp Staff Share Ownership Trust Company Limited (a subsidiary) as at 31 March 2017.

### 30 Non controlling interest

	Transcorp Hotels Plc (THP)	Transcorp Power Limited (TPL)	Transcorp Hotels Ikoyi Limited	Group
	N'000	N'000	N'000	N'000
At 1 January 2017	26,534,250	6,492,907	840	33,027,997
THP profit for the period	64,749	-	-	64,749
TPL profit for the period	-	1,062,886	-	1,062,886
At 31 December 2016	26,598,999	7,555,793	840	34,155,632

### 31 Cash generated from operating activities

	Group		Company	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
	N'000	N'000	N'000	N'000
(Loss)/profit before tax	1,734,708	1,729,935	269,795	377,622
<b>Adjustment for:</b>				
Depreciation of PP&E (Note 6)	805,784	787,317	2,851	3,663
Amortization of intangible assets	4,643	227	71	227
Finance cost (Note 27)	2,394,277	1,812,439	800,624	765,164
Finance income (Note 27)	(217,229)	(293,131)	(355,601)	(228,999)
Foreign exchange loss/ (gain)	315,342	(17,711)	-	-
<b>Changes in working capital:</b>				
Increase in trade, other receivables and prepayment	(9,521,256)	(5,938,039)	1,152,807	3,871,182
Increase in inventories	(80,444)	86,923	-	-
Increase/(decrease) in trade and other payables	11,497,855	6,363,514	(2,204,731)	(5,958,072)
<b>Net cash generated from/(used in) operations</b>	<b>6,933,680</b>	<b>4,531,474</b>	<b>(334,184)</b>	<b>(1,169,213)</b>

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

### For the Period Ended 31 March 2017

#### 32 Contingent liabilities

Apart from the case mentioned in note 20, there were no other material litigations in the ordinary course of business as at the balance sheet date. The directors are of the opinion that all known liabilities which are relevant in assessing the state of affairs of the Company have been taken into consideration in the preparation of these financial statements.

#### 33 Subsequent events

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

#### 34 Related parties

##### a Related entities

##### Heirs Holding Limited

Heirs Holding Limited is a company controlled by the group's key management personnel. Transcorp entered into a technical services agreement with Heirs Holding Limited for the latter's provision of corporate and financial advisory services, governance support, brand and communications services and business development support.

A technical services agreement was also entered into between Transcorp Power Limited and Heirs Holdings Limited.

##### Tony Elumelu Foundation

Tony Elumelu Foundation is a company controlled by the group's key management personnel. The Foundation carries out various Corporate Social Responsibility (CSR) activities on behalf of Transcorp Power Limited.

##### Tenoil Petroleum and Energy Services

Tenoil Petroleum and Energy Services is a company controlled by the group's key management personnel. Tenoil disposed part of its interest in Transcorp Power Limited (TPL) to Transcorp Plc. Consideration for the disposal was used to reduce amount receivable from the counter-party as at date of disposal. The outstanding receivable balance as at balance sheet date is deemed recoverable.

##### Nembe Creek Oil Company Limited

Nembe Creek Oil Company Limited is a company controlled by the group's key management personnel.

##### Other subsidiaries

The Company enter into a Technical and Management services agreement with Transcorp Hotels Plc and Transcorp Power Limited. As stipulated in the signed agreement, the Company earns management fee of higher of N350 million or 5% of profit before tax of Transcorp Hotels Plc and Transcorp Power Limited.

Other intercompany balances relates to payment made or received on behalf of the company's subsidiaries.

##### b Key management personnel

Name	Designation	Name	Designation
Mr. Tony Elumelu, MFR	Chairman	Mr. Stanley Inye Lawson	Director
Mr. Emmanuel N. Nnorom	President/CEO	Mr. Kayode Fasola	Director
Olorogun O'tega Emerhor, OON	Director	Alhaji Abdulquadir Jeli Bello	Director