



**Transnational Corporation of Nigeria Plc  
Unaudited Condensed Consolidated Financial Statements  
For the Period Ended 30 September 2017**

**Transnational Corporation of Nigeria Plc**  
**Statement of Financial Position**  
**As at 30 September 2017**

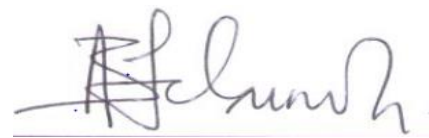
	Note	Group		Company	
		30 September 2017 N'000	31 December 2016 N'000	30 September 2017 N'000	31 December 2016 N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	137,419,487	124,660,561	21,516	21,250
Intangible assets	6	38,941,515	38,951,969	5,075,890	5,076,102
Investment property	7	1,706,600	1,706,600	1,706,600	1,706,600
Investment in subsidiaries	8	-	-	27,529,887	27,529,887
Debt and equity securities	13	4,170,170	2,207,943	4,170,170	2,207,943
Deferred tax	9	3,356,550	3,356,550	-	-
Prepaid lease rental (long term)	10	36,204	58,704	-	-
		<b>185,630,526</b>	<b>170,942,327</b>	<b>38,504,063</b>	<b>36,541,782</b>
<b>Current assets</b>					
Inventories	11	4,854,857	4,722,545	-	-
Trade and other receivables	12	85,306,516	54,104,539	22,373,779	21,366,895
Prepaid lease rental (short term)	10	30,000	30,000	-	-
Cash and cash equivalents	14	1,706,903	2,361,320	328,973	5,026
		<b>91,898,276</b>	<b>61,218,404</b>	<b>22,702,752</b>	<b>21,371,921</b>
<b>Total assets</b>		<b>277,528,802</b>	<b>232,160,731</b>	<b>61,206,815</b>	<b>57,913,703</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	15	57,461,013	31,586,476	3,726,370	5,678,281
Taxation	16	3,700,746	4,137,597	56,221	196,580
Borrowings (short term)	17	13,043,590	25,600,695	5,309,039	10,987,060
Advance deposits	20	1,875,000	1,875,000	1,875,000	1,875,000
		<b>76,080,349</b>	<b>63,199,768</b>	<b>10,966,630</b>	<b>18,736,921</b>
<b>Non-current liabilities</b>					
Borrowings (long term)	17	92,721,354	72,943,568	15,852,149	8,231,283
Other Payables	18	2,187,393	-	-	-
Deposit for shares	19	2,410,000	2,410,000	-	-
Deferred tax	9	7,158,798	7,158,798	-	-
		<b>104,477,545</b>	<b>82,512,366</b>	<b>15,852,149</b>	<b>8,231,283</b>
<b>Total liabilities</b>		<b>180,557,894</b>	<b>145,712,134</b>	<b>26,818,779</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)	-	-
Other reserves		1,976,598	(14,662)	2,088,278	97,018
Retained earnings		30,483,024	27,207,214	5,725,891	4,274,614
<b>Equity attributable to owners of the parent</b>		<b>59,033,489</b>	<b>53,420,600</b>	<b>34,388,036</b>	<b>30,945,499</b>
Non controlling interest	30	37,937,419	33,027,997	-	-
<b>Total equity</b>		<b>96,970,908</b>	<b>86,448,597</b>	<b>34,388,036</b>	<b>30,945,499</b>
<b>Net equity and liabilities</b>		<b>277,528,802</b>	<b>232,160,731</b>	<b>61,206,815</b>	<b>57,913,703</b>

The notes on pages 6 to 22 are an integral part of these financial statements.

The unaudited condensed consolidated financial statements on pages 1 to 22 were approved and authorised for issue by the Board of Directors on 18 October 2017 and were signed on its behalf by



**Mutiu Bakare**  
Group Chief Finance Officer  
FRC/2016/ICAN/00000014111



**Adim Jibunoh**  
President/Chief Executive Officer  
FRC/2014/IODN/0000008267

**Transnational Corporation of Nigeria Plc**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Period Ended 30 September 2017**

	Note	Group		Company	
		30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
Revenue	21	56,756,794	41,921,050	3,433,061	1,723,376
Cost of sales	22	(31,134,574)	(22,081,654)	-	-
<b>Gross profit</b>		<b>25,622,220</b>	<b>19,839,396</b>	<b>3,433,061</b>	<b>1,723,376</b>
Administrative expenses	25	(9,395,404)	(8,966,826)	(1,358,360)	(1,322,925)
Other income	23	582,737	364,062	864,381	879,422
Other gains - net	24	505	347,008	477	-
<b>Operating profit</b>		<b>16,810,058</b>	<b>11,583,640</b>	<b>2,939,559</b>	<b>1,279,873</b>
Finance income	26	577,692	786,283	1,088,607	1,018,182
Finance cost	26	(7,196,178)	(6,702,527)	(2,233,583)	(2,330,795)
Foreign exchange loss on financing activities	27	(1,149,339)	(18,450,385)	-	-
Finance cost -net		(7,767,825)	(24,366,629)	(1,144,976)	(1,312,613)
<b>Profit/ (Loss) before taxation</b>		<b>9,042,233</b>	<b>(12,782,989)</b>	<b>1,794,583</b>	<b>(32,740)</b>
Taxation	16	(857,001)	(1,425,139)	(343,306)	(172,338)
<b>Profit/ (Loss) for the period</b>		<b>8,185,232</b>	<b>(14,208,128)</b>	<b>1,451,277</b>	<b>(205,078)</b>
<b>Profit / (Loss) attributable to:</b>					
Owners of the parent		3,275,810	(7,968,038)	1,451,277	(205,078)
Non controlling interest		4,909,422	(6,240,090)	-	-
<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	1,997,790	398,999	1,997,790	398,999
<b>Total comprehensive income for the period</b>		<b>10,183,022</b>	<b>(13,809,129)</b>	<b>3,449,067</b>	<b>193,921</b>
<b>Attributable to:</b>					
Owners of the parent		5,273,600	(7,569,039)	3,449,067	193,921
Non controlling interest		4,909,422	(6,240,090)	-	-
Basic EPS (kobo)	28	8.06	(20.02)	3.57	(0.53)
Diluted EPS (kobo)	28	8.06	(20.02)	3.57	(0.53)

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

The notes on pages 6 to 22 are an integral part of these financial statements.

**Transnational Corporation of Nigeria Plc**  
**Statement of Changes in Equity**  
**For the Period Ended 30 September 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	-	-	-	-	(7,968,038)	(7,968,038)	(6,240,090)	(14,208,128)	
Other comprehensive income	-	-	-	398,999	-	398,999	-	398,999	
<b>Balance at 30 Sept 2016</b>	<b>19,360,499</b>	<b>7,213,368</b>	<b>(345,819)</b>	<b>(188,548)</b>	<b>20,170,317</b>	<b>46,209,817</b>	<b>27,486,285</b>	<b>73,696,102</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	-	-	-	-	3,275,810	3,275,810	4,909,422	8,185,232	
Reclassification to profit or loss	-	-	345,819	(6,530)	-	339,289	-	339,289	
Other comprehensive income	-	-	-	1,997,790	-	1,997,790	-	1,997,790	
<b>Balance at 30 Sept 2017</b>	<b>20,323,996</b>	<b>6,249,871</b>	<b>-</b>	<b>1,976,598</b>	<b>30,483,024</b>	<b>59,033,489</b>	<b>37,937,419</b>	<b>96,970,908</b>	
<b>31 December 2016</b>	<b>Share capital N'000</b>	<b>Share premium N'000</b>	<b>Treasury shares N'000</b>	<b>Other reserves N'000</b>	<b>Retained earnings N'000</b>	<b>Controlling interest N'000</b>	<b>Controlling interest N'000</b>	<b>N'000</b>	
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	
Loss for the year	-	-	-	-	(931,141)	(931,141)	(195,857)	(1,126,998)	
Bonus issue	963,497	(963,497)	-	-	-	-	-	-	
Dividend paid to non-controlling interest	-	-	-	-	-	-	(502,521)	(502,521)	
Reclassification to profit or loss	-	-	-	25,406	-	25,406	-	25,406	
Other comprehensive income	-	-	-	547,479	-	547,479	-	547,479	
<b>Balance at 31 December 2016</b>	<b>20,323,996</b>	<b>6,249,871</b>	<b>(345,819)</b>	<b>(14,662)</b>	<b>27,207,214</b>	<b>53,420,600</b>	<b>33,027,997</b>	<b>86,448,597</b>	

**Transnational Corporation of Nigeria Plc**  
**Statement of Changes in Equity**  
**For the Period Ended 30 September 2017**

Company	Attributable to owners of the parent			Retained earnings N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Other reserves 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	-	-	-	(205,078)	(205,078)
Reclassification to profit or loss	-	-	24,092	-	24,092
Other comprehensive income	-	-	398,999	-	398,999
<b>Balance at 30 Sept 2016</b>	<b>19,360,499</b>	<b>7,213,368</b>	<b>(52,776)</b>	<b>4,918,629</b>	<b>31,439,720</b>
Balance at 1 January 2017	20,323,996	6,249,871	97,018	4,274,614	30,945,499
Profit for the year	-	-	-	1,451,277	1,451,277
Reclassification to profit or loss	-	-	(6,530)	-	(6,530)
Other comprehensive income	-	-	1,997,790	-	1,997,790
<b>Balance at 30 Sept 2017</b>	<b>20,323,996</b>	<b>6,249,871</b>	<b>2,088,278</b>	<b>5,725,891</b>	<b>34,388,036</b>
<b>31 December 2016</b>	<b>Share capital N'000</b>	<b>Share premium N'000</b>	<b>Other reserves N'000</b>	<b>Retained earnings N'000</b>	<b>Total equity N'000</b>
Balance at 1 January 2016	19,360,499	7,213,368	(475,867)	5,123,707	31,221,707
Bonus issue	963,497	(963,497)	-	-	-
Loss for the year	-	-	-	(849,093)	(849,093)
Reclassification to profit or loss	-	-	25,406	-	25,406
Other comprehensive income	-	-	547,479	-	547,479
<b>Balance at 31 December 2016</b>	<b>20,323,996</b>	<b>6,249,871</b>	<b>97,018</b>	<b>4,274,614</b>	<b>30,945,499</b>

The notes on pages 6 to 22 are an integral part of these financial statements.

# Transnational Corporation of Nigeria Plc

## Statement of Cash Flows

For the Period Ended 30 September 2017

	Note	Group		Company	
		30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
<b>Cash flows from operating activities</b>					
Cash generated from/(used in) operations	31	14,649,295	11,332,126	(361,082)	(1,448,750)
Tax paid		(950,546)	(2,737,160)	(140,359)	(161,024)
<b>Net cash flows generated from/(used in) operating activities</b>		<b>13,698,749</b>	<b>8,594,966</b>	<b>(501,441)</b>	<b>(1,609,774)</b>
<b>Cash flows from investing activities</b>					
Interest received	26	577,692	786,283	1,088,607	1,018,182
Purchase of intangible assets	6	-	(516)	-	-
Proceeds from sale of AFS equity securities		35,563	98,522	35,563	98,522
Fixed income investment		-	18,119	-	18,119
Purchase of property, plant and equipment	5	(15,267,338)	(12,819,469)	(8,519)	(415)
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(14,654,083)</b>	<b>(11,917,061)</b>	<b>1,115,651</b>	<b>1,134,408</b>
<b>Cash flows from financing activities</b>					
Net movement in borrowings		7,220,681	18,772,144	1,942,843	2,813,330
Proceeds from sale of treasury shares		275,909	-	-	-
Interest payment	26	(7,196,178)	(6,702,527)	(2,233,583)	(2,330,795)
<b>Net cash flows (used in)/generated from financing activities</b>		<b>300,412</b>	<b>12,069,617</b>	<b>(290,740)</b>	<b>482,535</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(654,922)</b>	<b>8,747,522</b>	<b>323,470</b>	<b>7,169</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<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>505</b>	<b>(18,797,393)</b>	<b>477</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>1,706,903</b>	<b>4,369,649</b>	<b>328,973</b>	<b>17,855</b>

The notes on pages 6 to 22 are an integral part of these financial statements.

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 30 September 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 3.

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 30 September 2017

### 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 30 September 2017			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	4,170,170	-	-	4,170,170

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 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.



**Transnational Corporation of Nigeria Plc**  
**Notes to the Financial Statements**  
**For the Period Ended 30 September 2017**

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

**As at 30 September 2017**

	<b>Hospitality N'000</b>	<b>Oil &amp; gas N'000</b>	<b>Agro-allied N'000</b>	<b>Power N'000</b>	<b>Corporate centre N'000</b>	<b>Intersegment elimination N'000</b>	<b>Total N'000</b>
Revenue	9,787,897	-	-	46,968,897	3,433,061	(3,433,061)	56,756,794
Finance income	174,066	-	-	830	1,088,607	(685,810)	577,693
Finance cost	-	-	-	6,797,743	2,233,583	(685,810)	8,345,516
Depreciation and amortisation	772,760	-	-	1,703,938	8,465	-	2,485,163
Profit/(loss) before taxation	1,673,740	-	-	9,436,773	1,794,583	(3,862,863)	9,042,233
Taxation	513,695	-	-	-	343,306	-	857,001
Segmental assets	93,930,913	3,715,189	359,614	147,780,295	61,206,817	(29,464,026)	277,528,802
Segmental liabilities	38,072,653	4,488,913	1,587,398	124,913,316	26,818,779	(15,323,165)	180,557,894
Net assets	55,858,260	(773,724)	(1,227,784)	22,866,979	34,388,038	(14,140,861)	96,970,908

**As at 30 September 2016**

	<b>Hospitality N'000</b>	<b>Oil &amp; gas N'000</b>	<b>Agro-allied N'000</b>	<b>Power N'000</b>	<b>Corporate centre N'000</b>	<b>Intersegment elimination N'000</b>	<b>Total N'000</b>
Revenue	11,470,931	-	15,791	30,434,328	1,723,376	(1,723,376)	41,921,050
Finance income	446,957	-	-	-	1,018,182	(678,856)	786,283
Finance cost	-	(479,420)	(22,767)	(22,556,467)	(2,330,795)	236,537	(25,152,912)
Depreciation and amortisation	(727,728)	-	(31,018)	(1,623,551)	(12,070)	-	(2,394,367)
Profit/(loss) before taxation	3,926,998	(479,420)	(119,682)	(13,387,350)	(32,740)	(2,690,795)	(12,782,989)
Taxation	(1,252,801)	-	-	-	(172,338)	-	(1,425,139)
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.

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

<b>Revenue</b>	<b>30 September 2017 N'000</b>	<b>30 September 2016 N'000</b>
Total revenue for reportable segments	60,189,855	43,644,426
Elimination of inter-segment revenue (i)	(3,433,061)	(1,723,376)
External revenue	56,756,794	41,921,050
<b>Profit or loss</b>		
Total (loss) or profit for reportable segments	12,905,096	(10,092,194)
Elimination of inter-segment profits (ii)	(3,862,863)	(2,690,795)
Consolidated (loss) or profit before taxation	9,042,233	(12,782,989)
<b>Assets</b>	<b>30 September 2017</b>	<b>31 December 2016</b>
Total assets of reportable segments	306,992,828	268,280,462
Consolidation eliminations (iii)	(29,464,026)	(36,119,731)
Consolidated total assets	277,528,802	232,160,731
<b>Liabilities</b>		
Total liabilities of reportable segments	195,881,059	146,159,117
Consolidation eliminations (iv)	(15,323,165)	(446,983)
Consolidated total liabilities	180,557,894	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:

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

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### 4 Segment analysis (continued)

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

(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.

Analysis of revenue by category:

	<b>30 September</b>	<b>30 September</b>
	<b>2017</b>	<b>2016</b>
	<b>N'000</b>	<b>N'000</b>
Rooms	6,108,544	7,347,431
Food and beverage	2,742,426	3,136,494
Shop rental	469,402	509,087
Service charge	89,505	11,262
Other operating revenue	378,020	466,657
Juice concentrate	-	15,791
Capacity charge	16,570,089	10,634,038
Energy sent out	30,294,108	19,687,716
Ancillary services	104,700	112,574
<b>Total</b>	<b>56,756,794</b>	<b>41,921,050</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.

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**5 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	-	29,308	5,224,455	25,497	131,426	55,703	9,800,949	15,267,338
Reclassification	-	-	2,840,004	-	-	-	(2,840,004)	-
Disposals	-	-	-	(305)	-	(40,554)	-	(40,859)
<b>Balance as at 30 September 2017</b>	<b>35,588,745</b>	<b>17,636,062</b>	<b>60,265,887</b>	<b>3,210,104</b>	<b>254,976</b>	<b>703,404</b>	<b>38,692,672</b>	<b>156,351,850</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	-	308,895	1,874,149	45,582	191,659	64,878	-	2,485,163
Disposals	-	-	-	(51)	-	(17,559)	-	(17,610)
<b>Balance as at 30 September 2017</b>	<b>-</b>	<b>2,569,095</b>	<b>13,350,058</b>	<b>2,309,851</b>	<b>242,394</b>	<b>460,965</b>	<b>-</b>	<b>18,932,363</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 30 September 2017	<b>35,588,745</b>	<b>15,066,967</b>	<b>46,915,829</b>	<b>900,253</b>	<b>12,582</b>	<b>242,439</b>	<b>38,692,672</b>	<b>137,419,487</b>

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

<b>Company</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>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>
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	-	7,715	-	804	-	8,519
Disposals	-	-	-	-	-	-
<b>Balance as at 30 September 2017</b>	<b>28,862</b>	<b>12,333</b>	<b>29,608</b>	<b>28,092</b>	<b>7,975</b>	<b>106,870</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	3,602	826	3,272	260	293	8,253
Disposals	-	-	-	-	-	-
<b>Balance as at 30 September 2017</b>	<b>28,224</b>	<b>2,622</b>	<b>22,619</b>	<b>24,560</b>	<b>7,329</b>	<b>85,354</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 30 September 2017	<b>638</b>	<b>9,711</b>	<b>6,989</b>	<b>3,531</b>	<b>646</b>	<b>21,516</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>
1,766,393	1,614,544
718,770	769,953
<b>2,485,163</b>	<b>2,384,497</b>

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

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6 Intangible assets	Group					Company			
	Goodwill N'000	Computer software N'000	Oil Prospecting License N'000	Exploration and evaluation expenditure N'000	Total N'000	Computer software N'000	Oil Prospecting License N'000	Total N'000	
Cost									
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	-	-	-	-	-	-	-	-	
Disposal	-	(1,098)	-	-	(1,098)	-	-	-	
<b>As at 30 September 2017</b>	<b>30,934,143</b>	<b>209,148</b>	<b>5,075,818</b>	<b>2,843,098</b>	<b>39,062,207</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)	-	9,356	-	-	9,356	212	-	212	
<b>As at 30 September 2017</b>	<b>-</b>	<b>120,692</b>	<b>-</b>	<b>-</b>	<b>120,692</b>	<b>12,894</b>	<b>-</b>	<b>12,894</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 30 September 2017</b>	<b>30,934,143</b>	<b>88,456</b>	<b>5,075,818</b>	<b>2,843,098</b>	<b>38,941,515</b>	<b>72</b>	<b>5,075,818</b>	<b>5,075,890</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.

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**6 Intangible assets (continued)**

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

<b>Goodwill has been allocated to the following Cash Generating Units (CGUs)</b>	<b>30 September</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</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.

**7 Investment property**

Non-current assets - at fair value

	<b>Group</b>		<b>Company</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</b>	<b>31 December</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>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 30 September	<b>1,706,600</b>	<b>1,706,600</b>	<b>1,706,600</b>	<b>1,706,600</b>

Investment property 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 (The Ministry).

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 30 September 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**  
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**7 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.

**8 Investment in subsidiaries**

Transcorp Hotels Plc  
 Transcorp Power Limited  
 Other subsidiaries companies

Company	
30 September 2017	31 December 2016
N'000	N'000
19,618,523	19,618,523
7,860,464	7,860,464
50,900	50,900
<b>27,529,887</b>	<b>27,529,887</b>

Movement in investment in subsidiaries is analysed as follows:

At 1 January  
 Liquidation of subsidiaries  
 At 30 September

Company	
30 September 2017	31 December 2016
N'000	N'000
27,529,887	27,549,287
-	(19,400)
<b>27,529,887</b>	<b>27,529,887</b>

Investments in subsidiary companies eliminated on consolidation is shown below:

Transnational Corporation investment in subsidiary:

Transcorp Hotels Plc (THP)  
 Transcorp Properties Limited  
 Transcorp Power Limited  
 Transcorp OPL 281 Limited  
 Transcorp Energy Limited  
 Teragro Commodities Limited  
 Transcorp Refining Company Limited  
 Transcorp Trading and Logistics Limited  
 Transcorp Telecomms Limited

Company	
30 September 2017	31 December 2016
N'000	N'000
19,618,523	19,618,523
10,000	10,000
7,860,464	7,860,464
500	500
9,900	9,900
9,500	9,500
1,000	1,000
10,000	10,000
10,000	10,000
<b>27,529,887</b>	<b>27,529,887</b>

**THP investment in subsidiary:**

Transcorp Hotels Calabar Limited  
 Transcorp Hotels Port Harcourt Limited  
 Transcorp Hotels Ikoyi Limited

3,508,621	3,508,621
20,000	20,000
1,160	1,160
<b>3,529,781</b>	<b>3,529,781</b>

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.

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**9 Deferred tax**

The balance of Deferred tax assets/ (Liabilities) as at 30 September 2017 is as follows:

	<b>Group</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>
Deferred tax assets	3,356,550	3,356,550
Deferred tax liabilities	(7,158,798)	(7,158,798)
	<b>(3,802,248)</b>	<b>(3,802,248)</b>

**Deferred tax**

Accelerated tax depreciation	(8,405,601)	(8,405,601)
Fair value on revaluation	(2,774,698)	(2,774,698)
Unrealised FX losses	7,367,850	7,367,850
Tax losses carried forward	10,201	10,201
	<b>(3,802,248)</b>	<b>(3,802,248)</b>

	<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	(1,097,940)	(100,613)	10,495,695
Credited to income statement	(513,949)	-	(6,269,910)	90,412	(6,693,447)
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 30 September 2017	8,405,601	2,774,698	(7,367,850)	(10,201)	3,802,248

**10 Prepaid lease rental**

	<b>Group</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>
At 1 January	88,704	35,000
Addition	-	83,704
Utilisation	(22,500)	(30,000)
At 31 December	66,204	88,704
Less: minimum lease payments for the next 12 months	(30,000)	(30,000)
Non current lease payments	36,204	58,704
Non current lease payments has been analysed as follows:		
Due between 1 to 5 years	36,204	58,704

**11 Inventories**

	<b>Group</b>	
	<b>30 September 2017</b>	<b>31 December 2016</b>
	<b>N'000</b>	<b>N'000</b>
Food and beverage	214,795	215,486
Fuel/lubricant	97,349	56,075
Spares	4,410,645	4,368,435
Guest supplies	113,705	66,474
Finished goods	-	1,170
Packaging materials	8,752	8,752
Other sundry stock	9,611	6,153
	<b>4,854,857</b>	<b>4,722,545</b>



# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

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12 Trade and other receivables	Group		Company	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
Trade receivables	79,592,900	48,931,779	-	-
Less: provision for impairment (a)	(1,047,882)	(778,288)	-	-
Trade receivables - net	78,545,018	48,153,491	-	-
Other receivables	5,185,545	4,425,799	3,786,087	3,468,640
Prepayments	611,077	521,929	187,025	67,378
Due from related companies	964,876	1,003,320	18,400,667	15,546,760
Dividend receivable	-	-	-	2,284,117
	85,306,516	54,104,539	22,373,779	21,366,895

a Provision for impairment of trade receivables	Group	
	30 September	31 December
	2017	2016
	N'000	N'000
Balance at 1 January	778,288	589,973
Impairment losses recognised on receivables	269,594	188,315
Balance at 30 September	1,047,882	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.

13 Debt and equity securities	Group and Company	
	30 September	31 December
	2017	2016
	N'000	N'000
<b>Non-current portion</b>		
Equity securities at fair value through OCI	4,170,170	2,207,943
	4,170,170	2,207,943

See movement in debt and equity securities below:

	2017		2016	
	Equity securities	Fixed income investment	Equity securities	Fixed income investment
	N'000	N'000	N'000	N'000
At 1 January	2,207,943	-	1,764,937	358,887
Fair value gain/(loss)	1,997,790	-	547,479	-
Liquidation	(35,563)	-	(104,473)	(18,519)
Impairment	-	-	-	(340,368)
At 30 September	4,170,170	-	2,207,943	-

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14 Cash and cash equivalents	Group		Company	
	30 September 2017 N'000	31 December 2016 N'000	30 September 2017 N'000	31 December 2016 N'000
Cash and bank balance	1,706,903	2,361,320	328,973	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).

15 Trade and other payables	Group		Company	
	30 September 2017 N'000	31 December 2016 N'000	30 September 2017 N'000	31 December 2016 N'000
Trade creditors	43,036,587	26,820,960	-	-
Accruals and other liabilities	13,504,027	3,954,729	527,793	224,028
Unearned income	48,542	41,379	-	-
Deposit from guests	124,653	126,573	-	-
VAT payable	139,911	55,618	82,540	-
Dividend payable	-	524,215	-	-
Due to related companies	607,293	63,002	3,116,037	5,454,253
	57,461,013	31,586,476	3,726,370	5,678,281

16 Taxation	Group		Company	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
Income tax	513,695	1,176,141	-	-
Education tax	-	76,660	-	-
	513,695	1,252,801	-	-
Tax on franked investment income	343,306	172,338	343,306	172,338
Deferred tax (Note 10)	-	-	-	-
	857,001	1,425,139	343,306	172,338

The movement in tax payable is as follows:

	Group		Company	
	30 September 2017 N'000	31 December 2016 N'000	30 September 2017 N'000	31 December 2016 N'000
At 1 January	4,137,597	5,695,106	196,580	202,198
Provision for the year	513,695	1,645,069	-	155,405
Payment during the year	(950,546)	(3,202,578)	(140,359)	(161,023)
<b>At 30 September</b>	<b>3,700,746</b>	<b>4,137,597</b>	<b>56,221</b>	<b>196,580</b>

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

For the Period Ended 30 September 2017

17 Borrowings	Group		Company	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	N'000	N'000	N'000	N'000
<b>Falling due within a year</b>				
Bank borrowings	6,926,714	19,483,819	5,309,039	10,987,060
Unsecured bond	6,116,876	6,116,876	-	-
	13,043,590	25,600,695	5,309,039	10,987,060
<b>Falling due after one year</b>				
Bank borrowings	78,149,506	58,371,720	15,852,149	8,231,283
Unsecured bond	14,571,848	14,571,848	-	-
	92,721,354	72,943,568	15,852,149	8,231,283
<b>Total</b>	<b>105,764,944</b>	<b>98,544,263</b>	<b>21,161,188</b>	<b>19,218,343</b>

### 18 Other Payables

Other payables of N2.18 billion relates to the portion of outstanding payment for refurbishment of GT 15, payable beyond 12 months.

### 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

Group & company	
30 September 2017	31 December 2016
N'000	N'000
1,875,000	1,875,000

Sacoil / Equity, Energy and Resource (EER) farm-in fees

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

The group derives the following types of revenue:

	Group		Company	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	N'000	N'000	N'000	N'000
Rooms	6,108,544	7,347,431	-	-
Food and beverage	2,742,426	3,136,494	-	-
Shop rental	469,402	509,087	-	-
Service charge	89,505	11,262	-	-
Other operating revenue	378,020	466,657	-	-
Juice concentrate	-	15,791	-	-
Dividend income	-	-	3,433,061	1,723,376
Capacity charge	16,570,089	10,634,038	-	-
Energy sent out	30,294,108	19,687,716	-	-
Ancillary services	104,700	112,574	-	-
	56,756,794	41,921,050	3,433,061	1,723,376

All recognised revenue were generated in Nigeria.

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**22 Cost of sales**

	Group	
	30 September 2017 N'000	30 September 2016 N'000
Rooms	28,958	18,786
Staff costs	2,413,303	2,534,896
Food and beverage	835,788	902,600
Natural gas and fuel costs	24,753,912	15,290,310
Direct materials	-	2,469
Other direct expenses	398,960	432,715
Repairs and maintenance	749,824	1,115,798
Depreciation	1,766,393	1,614,544
Insurance	165,221	145,248
Other operating departments	22,215	24,288
	<b>31,134,574</b>	<b>22,081,654</b>

**23 Other income**

	Group		Company	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
Dividend income on equity securities	325,709	289,008	325,709	289,008
Management fees from subsidiaries	-	-	525,000	525,100
Profit on disposal of equity investment	118,336	-	-	-
Profit/ (loss) on fixed asset disposal	-	2,627	533	-
Other income	138,692	72,427	13,139	65,314
	<b>582,737</b>	<b>364,062</b>	<b>864,381</b>	<b>879,422</b>

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

	Group		Company	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
<b>Included in profit or loss</b>				
Fair value gain on equity securities	-	-	-	-
Loss on sale of investment	-	-	-	-
Foreign exchange gain/(loss)	505	347,008	477	-
	<b>505</b>	<b>347,008</b>	<b>477</b>	<b>-</b>
<b>Included in other comprehensive income</b>				
Fair value gain/(loss) on equity securities	1,997,790	398,999	1,997,790	398,999

**25 Administrative and general expenses**

	Group		Company	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
Staff costs	1,472,803	1,485,369	300,397	289,711
Depreciation	718,770	769,953	8,253	11,843
Amortisation	9,356	9,870	212	227
Auditors' remuneration	57,195	65,295	26,250	31,083
Management and incentive fees	1,692,611	1,281,047	270,925	304,791
Professional fees	421,017	199,322	67,950	104,439
Director's remuneration	182,606	254,057	73,138	85,805
Rent and rates	45,000	45,702	22,500	22,500
Loss on asset disposal	22,715	912	-	912
Repairs and maintenance	430,908	410,622	5,534	3,743
Advertising	5,007	17,101	5,007	973
Group service benefits	182,673	413,850	-	-
Insurance	1,003	12,972	973	10,989
Electricity and diesel cost	941,516	831,569	11,998	8,003
Travel and accommodation	101,263	186,037	57,191	74,811
Licenses and fees	29,979	47,134	29,979	47,109
Marketing and promotion	182,440	303,562	-	-
Bank charges	356,464	93,271	10,465	512
Write off of fixed income investment	-	255,126	-	255,126
Provision for bad debts	280,000	489,531	-	-
Corporate social responsibility cost	700	300	700	300
Other operating expenses	2,261,378	1,794,224	466,888	70,048
	<b>9,395,404</b>	<b>8,966,826</b>	<b>1,358,360</b>	<b>1,322,925</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 30 September 2017

### 26 Finance costs and income

	Group		Company	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
<b>Finance costs:</b>				
Interest expense on loans	7,196,178	6,702,527	2,233,583	2,330,795
Interest expense on loans	7,196,178	6,702,527	2,233,583	2,330,795
<b>Finance income:</b>				
Interest on loan	577,692	786,283	1,088,607	1,018,182
Interest on bank deposits	-	-	-	-
Interest to unwind discounted receivable	-	-	-	-
	577,692	786,283	1,088,607	1,018,182

### 27 Net foreign exchange losses

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

	Group		Company	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
Foreign exchange loss on borrowings	1,149,339	18,450,385	-	-

### 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	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
Profit attributable to shareholders	3,275,810	(7,968,038)	1,451,277	(205,078)
Weighted average number of ordinary shares in issue	40,647,991	39,796,580	40,647,991	39,796,580
Basic earnings per share (Kobo)	8.06	(20.02)	3.57	(0.53)
Diluted earnings per share (Kobo)	8.06	(20.02)	3.57	(0.53)

### 29 Share capital

#### a Authorised:

	Group		Company	
	30 September 2017	31 December 2016	30 September 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 30 September 2017	40,647,991	20,323,996	20,323,996

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**b Share premium**

Group and Company	
30 September 2017 N'000	31 December 2016 N'000
6,245,343	7,213,368
-	(968,025)
<b>6,245,343</b>	<b>6,245,343</b>

At 1 January  
Bonus issue  
At 30 September

**c Treasury shares**

Treasury shares represent the Company's shares held by the Transcorp Staff Share Ownership Trust Company Limited (a subsidiary) as at 30 September 2017.

**30 Non controlling interest**

	Transcorp Hotels Plc (THP) N'000	Transcorp Power Limited (TPL) N'000	Transcorp Hotels Ikoyi Limited N'000	Group N'000
At 1 January 2017	26,534,250	6,492,907	840	33,027,997
THP profit for the period	191,749	-	-	191,749
TPL profit for the period	-	4,717,673	-	4,717,673
At 31 December 2016	<b>26,725,999</b>	<b>11,210,580</b>	<b>840</b>	<b>37,937,419</b>

**31 Cash generated from operating activities**

	Group		Company	
	30 September 2017 N'000	30 September 2016 N'000	30 September 2017 N'000	30 September 2016 N'000
Profit/(Loss) before tax	9,042,233	(12,782,989)	1,794,583	(32,740)
<b>Adjustment for:</b>				
Depreciation of PP&E (Note 6)	2,485,163	2,384,497	8,253	11,843
Profit on disposal of AFS equity securities	-	24,092	-	24,092
Loss on disposal of PP&E	22,715	912	-	912
Loss write-back from AFS reserves	-	226,661	-	226,661
Amortization of intangible assets	9,356	9,870	212	227
Fair value gain on equity securities	(6,530)	(398,999)	(6,530)	(398,999)
Provision for debt securities	-	255,126	-	255,126
Provision for Franked Investment tax	-	-	(343,306)	-
Finance cost	8,345,516	25,152,912	2,233,583	2,330,795
Finance income (Note 26)	(577,692)	(786,283)	(1,088,607)	(1,018,182)
Foreign exchange loss/(gain)	1,149,339	(347,008)	-	-
<b>Changes in working capital:</b>				
Increase in trade, other receivables and prepayment	(33,750,423)	(17,149,316)	(1,006,884)	(3,660,291)
Increase in inventories	(132,312)	(47,699)	-	-
Increase/(decrease) in trade and other payables	28,061,930	14,790,350	(1,952,386)	811,806
<b>Net cash generated from/(used in) operations</b>	<b>14,649,295</b>	<b>11,332,125</b>	<b>(361,082)</b>	<b>(1,448,750)</b>

# Transnational Corporation of Nigeria Plc

## Notes to the Financial Statements

### For the Period Ended 30 September 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. Adim Jibunoh	President/CEO	Mr. Kayode Fasola	Director
Olorogun O'tega Emerhor, OON	Director	Alhaji Abdulquadir Jeli Bello	Director
Mr. Emmanuel N. Nnorom	Director		