



**TRANSNATIONAL CORPORATION PLC**

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024



**TRANSNATIONAL CORPORATION PLC**  
Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

## Table of Contents

Corporate Information.....	1
Directors' Report.....	2
Corporate Governance Report .....	9
Statement of Directors' Responsibilities.....	17
Certification of Financial Statements.....	18
Report of the Audit Committee .....	19
Management's Report on the Assessment of Internal Control Over Financial Reporting .....	21
Independent Auditors' Report.....	22
Assurance Report of Independent Auditor.....	27
Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income .....	29
Consolidated and Separate Statements of Financial Position .....	30
Consolidated and Separate Statements of Changes In Equity.....	31
Consolidated and Separate Statements of Cash Flows.....	33
Notes to the Consolidated and Separate Financial Statements .....	34
Consolidated and Separate Statement of Value Added .....	134
Consolidated and Separate Five-Year Financial Summary.....	135



## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Corporate Information

**Country of incorporation and domicile:**

Nigeria

**Board of Directors:**

Mr. Tony O. Elumelu, CFR	Chairman
Dr. (Mrs) Foluke K. Abdulrazaq, OON	Vice Chairman / Independent Non-Executive Director
Dr. (Mrs) Owen Omogiafo, OON	President/Group CEO
Mr. Emmanuel N. Nnorom	Non-Executive Director (Retired 27 May 2024)
Mr. Victor Famuyibo	Independent Non-Executive Director
Dr. Stanley Lawson	Non-Executive Director
Mr. Oliver Andrews	Independent Non-Executive Director
Mallam Ahmadu Sambo	Independent Non-Executive Director
Dr. (Mrs) Toyin Sanni	Non-Executive Director
Mr. Chiugo Ndubisi	Non-Executive Director (Appointed 27 May 2024)

**Group Company Secretary:**

Ms. Atinuke Kolade

**Registered office:**

38 Glover Road  
Ikoyi  
Lagos, Nigeria.

**Registration number:**

RC 611238

**Tax identification Number**

01020694-0001

**Registrars:**

Africa Prudential Plc  
220B Ikorodu Road  
Palmgrove, Lagos.

**Principal bankers:**

United Bank for Africa Plc  
First Bank of Nigeria Limited

**Auditors:**

Messrs. Deloitte & Touche  
Chartered Accountants  
Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue  
Victoria Island, Lagos  
Nigeria.

**Investors Relations Manager:**

Mr. Festus Izevbizua  
[investorrelations@transcorpgroup.com](mailto:investorrelations@transcorpgroup.com)

**Investors Relations Portal:**

<https://transcorpgroup.com/investor-relations/>



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

**Directors' Report**

The Directors have the pleasure of submitting their report on the consolidated and separate financial statements of Transnational Corporation Plc ("the Group" and "the Company") for the year ended 31 December 2024.

**1. PRINCIPAL ACTIVITIES**

The Group's business continues to be investing in and operating portfolio companies in the Hospitality, Power, and Energy sectors. The Company has subsidiaries and affiliates providing services and sale of goods in these sectors.

**2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES**

Full details of the financial position, results of operations, cash flows and notes to the financial statements of the Group and Company are set out on pages 29 to 132 of these consolidated and separate financial statements. The summarised results are presented below.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue	407,915,908	196,989,632	14,409,555	16,025,628
Gross profit	195,666,074	109,143,870	14,409,555	16,025,628
Profit before tax	136,668,246	58,806,005	18,486,442	9,692,198
Tax	(42,579,495)	(26,169,757)	(1,588,795)	(1,640,808)
<b>Profit after tax</b>	<b>94,088,751</b>	<b>32,636,248</b>	<b>16,897,647</b>	<b>8,051,390</b>

**3. DIRECTORATE**

The Directors in office during the reporting period are as follows:

**Directors**

Mr. Tony O. Elumelu, CFR  
 Dr. (Mrs) Foluke K. Abdulrazaq, OON  
 Dr. (Mrs) Owen Omogiafo, OON  
 Mr. Emmanuel N. Nnorom  
 Mr. Victor Famuyibo  
 Dr. Stanley Lawson  
 Mr. Oliver Andrews  
 Mallam Ahmadu Sambo  
 Dr. (Mrs) Toyin Sanni  
 Mr. Chiugo Ndubisi

**Designation**

Chairman  
 Vice Chairman / Independent Non-Executive Director  
 President/Group Chief Executive Officer  
 Non-Executive Director (Retired 27 May 2024)  
 Independent Non-Executive Director  
 Non-Executive Director  
 Independent Non-Executive Director  
 Independent Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director (Appointed 27 May 2024)

**Directors' Report (cont'd)**

**4. DIRECTORS INTERESTS IN SHARES**

The interests of each Director in the issued share capital of the Company as recorded in the register of Directors' shareholding as at 31 December 2024 were as follows:

Directors	Designation	2024	2023	2024	2023
		Direct	Direct	Indirect	Indirect
Mr. Tony O. Elumelu, CFR*	Chairman	68,276,011	273,104,041	2,997,789,337 68,386,431	11,986,909,845 273,545,722
Dr. (Mrs) Foluke K. Abdulrazaq, OON	Vice Chairman / Independent Non-Executive Director	-	-	-	-
Dr. (Mrs) Owen Omogiafo, OON	President/Group CEO	6,872,769	27,817,871	-	-
Mr. Emmanuel N. Nnorom***	Non-Executive Director	-	-	-	**253,487
Mr. Victor Famuyibo	Independent Non-Executive Director	75,000	300,000	-	-
Dr. Stanley Lawson	Non-Executive Director	30,697,526	122,790,102	-	-
Mr. Oliver Andrews	Independent Non-Executive Director	-	-	-	-
Mallam Ahmadu Sambo	Independent Non-Executive Director	-	-	-	-
Dr. (Mrs) Toyin Sanni	Non-Executive Director	-	-	-	-
Mr. Chiugo Ndubisi****	Non-Executive Director	-	-	-	-

The apparent reduction in the volume of shares held by the Directors is due to the share reconstruction exercise in 2024. The percentage holdings remain the same.

\*2,997,789,337 shares are held indirectly through HH Capital Limited and 68,386,431 shares are held indirectly through Heirs Holdings Limited.

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

\*\*This indirect holding is Vine Foods Limited

\*\*\*Retired from the Board on May 27, 2024.

\*\*\*\*Appointed to the Board on May 27, 2024

The difference in year on year units of shares is due to 1:4 share reconstruction that occurred in 2024.

**5. DIRECTORS' INTERESTS IN CONTRACTS**

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

**6. ALTERNATE DIRECTORSHIP**

There was no alternate directorship during the year under review.

**7. DIVIDENDS**

The Board of Directors approved and paid an interim dividend of N4,064,799,029.30 or 40 kobo per ordinary share (equivalent of 10 kobo per share pre capital reconstruction). The Board of Directors has proposed N6,097,198,543.95 or 60 kobo per share as final dividend, bringing the total dividend for 2024 to N10,161,997,574 or N1.00 per share (2023: N4,064,799,029.30 or 10 kobo pre capital reconstruction) on the outstanding ordinary share of 10,161,997,573 shares of 50 kobo each for the year ended 31 December 2024.

The final dividend will be presented to shareholders for approval at the next Annual General Meeting (AGM). This is subject to applicable withholding tax rate.

**8. SHARE CAPITAL**

As at 31 December 2024, the below shareholders held 5% or more of the issued and fully paid shares of 50 kobo of the Company.

	2024	2024	2023	2023
	Number of shares	%	Number of shares	%
HH CAPITAL LIMITED	2,997,789,337	29.50%	11,986,909,845	29.49%
UBA NOMINEES LTD - TRADING	940,000,000	9.25%	3,760,000,000	9.25%
ELUMELU AWELE VIVIEN	517,698,701	5.09%	2,070,794,804	5.09%

#### Directors' Report (cont'd)

#### 8. SHARE CAPITAL (cont'd)

The issued shares of the Company reduced from 40,647,990,293 ordinary shares to 10,161,997,574 following the share reconstruction exercise. The analysis of shareholders as at 31 December 2024 is shown below:

	Range	No. of Holders	Holders Percentage %	Holdings (number)	Holding Percentage %
1	1-1000	174,772	61.04	70,049,751	0.69
2	1001- 5,000	76,573	26.74	157,511,959	1.55
3	5,001 - 10,000	14,970	5.22	96,268,507	0.95
4	10,001 - 50,000	14,449	5.05	298,321,920	2.94
5	50,001 - 100,000	2,196	0.77	145,692,434	1.43
6	100,001 - 500,000	2,729	0.95	533,774,800	5.25
7	500,001 - 1,000,000	309	0.11	209,316,984	2.06
8	1,000,001 - 999,999,999,999	343	0.12	8,651,061,219	85.13
<b>Total</b>		<b>286,341</b>	<b>100.00</b>	<b>10,161,997,574</b>	<b>100.00</b>

#### Shareholder Structure as at 31 December 2024

Holder type	Holder count	Holdings (number)	Holding Percentage %
Individual	280,152	2,484,497,486	24.45
Government	134	639,619	0.01
Corporate	3,718	7,558,076,033	74.38
Foreign	857	12,812,674	0.13
Pension	26	59,547,890	0.59
Joint	1,283	28,988,138	0.29
Institution	171	17,435,734	0.18
<b>Total</b>	<b>286,341</b>	<b>10,161,997,574</b>	<b>100.00</b>

#### 9. SHARE CAPITAL HISTORY

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

Year	Authorised (N)		Issued & Fully Paid-up		Consideration
	Increase/ (Decrease)	Cumulative	Increase/ (Decrease)	Cumulative (N)	
2004	100,000,000	100,000,000	25,000,000	25,000,000	Cash
2006	100,000,000	200,000,000	25,000,000	50,000,000	Stock Split
2006	35,800,000,000	36,000,000,000	18,503,905,526	18,553,905,526	Cash
2007	-	36,000,000,000	7,260,092,757	25,813,998,283	Cash
2013	9,000,000,000	45,000,000,000	12,906,998,142	38,720,996,425	Right issue
2016	-	45,000,000,000	1,926,993,868	40,647,990,293	Bonus issue
2022	(4,352,009,707)	40,647,990,293	-	40,647,990,293	Share cancellation
2024	(30,485,992,719)	10,161,997,574	(30,485,992,719)	10,161,997,574	Share reconstruction



## **TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

### **Directors' Report (cont'd)**

#### **9. SHARE CAPITAL HISTORY (cont'd)**

In October 2024, the company reconstructed its share capital by consolidation of the total number of issued shares at a ratio of 1 to 4 ordinary shares at the par value of 50 kobo per share. There is now a Share Reconstruction Reserve for 30,485,992,719 units from the reconstruction exercise.

The Company obtained all necessary regulatory approvals including Board of Directors approval, CAC approval, Court sanction and SEC approval for the Share reconstruction of 1 for 4 ordinary shares."

#### **10. PROPERTY PLANT AND EQUIPMENT**

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

#### **11. EMPLOYMENT AND EMPLOYEES**

Equality of opportunity, diversity and inclusion are a part of Transnational Corporation Plc's identity.

##### **a) Employment of Physically Challenged Persons**

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

##### **b) Health, Safety and Environment**

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

##### **c) Employees Development, Training and Engagement**

The Group places a high premium on the development of its manpower and consults with employees on matters affecting their wellbeing. In the year 2024, formal classroom, onsite and offsite trainings, as well as online training courses were deployed in training and re-training all staff at various levels. The Group's skill base has been extended by a range of training provided to the employees, whose opportunity for career development within the Group has been enhanced.

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

**Directors' Report (cont'd)**

**12 DONATIONS**

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

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

	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Daughters of Charity food supply	11,163	5,333
Sewing Machine & accessories for Ace charity	2,727	1,173
School for the blind	1,525	-
Coalition of Orphanages & Children Home in Nigeria	-	1,664
Little League Baseball Tournament	-	5,000
Government Senior College Maroko	-	677
School recycling initiative	2,102	-
Institute of Capital Market Registrar	-	500
LBS Alumni Association	5,000	1,500
Donation of Items to Kuchingoro Old People's Home	520	-
	<b>23,037</b>	<b>15,847</b>

**13. SECURITIES TRADING POLICY**

The Group's Code of Conduct and the Securities Trading Policy detail activities on security trading. The policies prohibit employees and Directors from insider trading, dealings and stock tipping during closed periods. The Capital Market, Board, Management and Employees are regularly notified of closed periods. There was no insider trading recorded during the year.

**14. COMPLAINT MANAGEMENT PROCEDURE**

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

**15. RISK MANAGEMENT POLICY AND PRACTICES**

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

It covers the framework principles such as Risk Management Objectives, Risk Management Strategies, Risk Management Philosophy and Culture, Risk Appetite and Risk Oversight as well as the processes including risk identification, analysis, management, monitoring, reporting and communication. The Board sets the tone and risk appetite for each business and risks identified. Management assesses the risks following quarterly risk assessment exercises. The Board Audit and Governance Committee (BAGC) has oversight over risk management. The risk report is presented quarterly at each BAGC meeting and key risks noted are escalated to the Board with recommendations from the BAGC on how to manage them effectively. The risk management systems and practices of the Company are effective and efficient.

**16. FINES AND PENALTIES**

The Group was not fined during the year under review.

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Directors' Report (cont'd)

#### 17. THE NATURE OF ANY RELATED PARTY RELATIONSHIP AND TRANSACTION

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

Amount due to related parties	Nature of relationship	Group		Company	
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
Transcorp Power Plc	subsidiary	-	-	26,250,246	32,651,912
Heirs Energies and related companies	Joint control	8,430,790	6,933,816	-	-
		<b>8,430,790</b>	<b>6,933,816</b>	<b>26,250,246</b>	<b>32,651,912</b>
<b>Amount due from related parties</b>					
Afam Power Plc	subsidiary	-	-	4,908,797	3,776,612
Transcorp Power Plc	subsidiary	-	-	8,339,365	19,133,195
Transcorp OPL 281 Limited	subsidiary	-	-	14,036,755	12,264,709
Transcorp Hotels Plc	subsidiary	-	-	151,317	4,506,993
TransAfam Power Ltd	subsidiary	-	-	-	18,385,000
Aura by Transcorp	subsidiary	-	-	17,013	2,854
Transcorp Energy Limited	subsidiary	-	-	304,175	193,487
		<b>-</b>	<b>-</b>	<b>27,757,422</b>	<b>58,262,850</b>

#### Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs regularly. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2024, the Company recognised N1.7bn (2023:N1.2bn) as provision for expected credit losses relating to amounts owed by related parties.

#### Group

During the year, Heirs Energies Limited (HEL) supplied gas to Afam Power Plc amounting to N7.29 billion (2023: N5.3billion), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by HEL and related companies to Transnational Group amounting to N8.4 billion (2023: N3.9 billion) during the year, are included in administrative expenses.

#### Related party borrowings

Included in the amount due from Transcorp OPL 281 Limited is N14.04bn loan at 20%. Included in the balance due from Afam Power Plc is the sum of N1.3bn at 20%.

#### 18. OTHER TERMS

The Company entered into a Technical and Management Services Agreement with Transcorp Hotels Plc, Transcorp Power Plc, and TransAfam Power Limited. As stipulated in the signed agreements, the Company earns management fee of higher of N350 million or 5% of profit before tax of these companies per annum.

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

### Directors' Report (cont'd)

#### 19. EVENTS AFTER THE REPORTING DATE

The shareholders paid the sum of N56bn on 27 January 2025, being the balance of acquisition cost of Afam Power Plc and Afam Three Fast Power Ltd. By this, the purchase consideration has been fully paid.

Apart from the above, there are no other events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

#### 20. TERMS OF APPOINTMENT OF AUDITORS

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

Signed on behalf of the Board of Directors By:



---

**Atinuke Kolade**  
FRC/2019/PRO/NBA/002/00000019306  
Group Company Secretary  
6 March 2025



## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Corporate Governance Report

Transnational Corporation Plc (“Transcorp” or “the Company”) is committed to upholding the highest standards of corporate governance through the adoption of a sound corporate governance framework, which ensures the promotion of effective governance through the strategic direction and oversight by the Board. At Transcorp, good corporate governance is at the centre of our business and an integral part in creating and sustaining value for stakeholders.

#### 1 Overview

During the year ended 31 December 2024, Transcorp complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council of Nigeria (FRCN) and the Securities & Exchange Commission (SEC) and all laws regulating corporate governance. The Company further entrenched best practices in corporate governance by formulating new policies that will enhance performance, making the business more sustainable and upholding the Company’s brand equity. The Policies updated and/or approved by the Board in 2024 were:

- 1 Board Charter
- 2 Staff Succession Planning Policy
- 3 Non – Audit Services Policy
- 4 Delegation of Authority Policy
- 5 Internal Audit Charter
- 6 Corporate Communications Policy
- 7 Crisis Management Policy
- 8 ERM Framework
- 9 Fraud Risk Policy
- 10 Code of Conduct
- 11 Document Management Policy
- 12 Data Privacy & Protection Policy
- 13 Personal Data Breach Management Policy
- 14 Data Protection Impact Assessment
- 15 Cost Management Policy
- 16 Contracts Policy
- 17 Intellectual Property Policy

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

- **Group Policy Governance Framework**  
This framework explains the governance laws applicable to the Company’s businesses. It provides for policy development and application, policy classification, review, and revision as well as policy deviations and guiding templates.
- **Board Governance and Board Committees Governance Charter;**  
This charter provides the governance framework for the Group Board and Board Committees. The framework promotes the effective governance of the Group.
- **Executive Management Charter**  
This charter provides for the Executive Management Committee (EMC) of the Company – its composition, role, terms of reference, proceedings and general governance framework.
- **Subsidiary Governance Charter**  
The Subsidiary Governance Charter provides for Group subsidiary governance, subsidiary boards of directors, subsidiary governance structure, subsidiary board committees, executive management, and organization structure.



## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Corporate Governance Report (cont'd)

#### 1 Overview (cont'd)

##### Code of Conduct and Ethics

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

##### ESG Policy

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

#### 2. Board of Directors

##### 2.1 General

The Board of Directors consists of nine (9) members made up of one (1) Executive Director (the President/GCEO) and eight (8) Non-Executive Directors, four (4) of whom are Independent Directors. In accordance with the provisions of the Companies and Allied Matters Act 2020 (CAMA) and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over the Board proceedings. The Board meets at least four times in a year and the year 2024 was no exception. The details of Directors' attendance at Board meetings are disclosed in the Annual Report. The Board establishes formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the day-to-day operations of the Company. The delegation of authority conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to Management. Any responsibility not delegated remains with the Board and its Committees. The Company has continued to benefit tremendously from the wealth of experience of its Directors, all of whom are successful individuals who have distinguished themselves in their chosen fields.

##### Board Appointment

Directors are appointed on the recommendation of the Board Audit and Governance Committee (BAGC) in accordance with the Board and Board Committees Governance Charter. In selecting Directors, the Company seeks individuals who have cognate experience, good image and reputation, high integrity, shareholder orientation, no conflict of interest, knowledge of the Company's strategic businesses and a genuine interest in the company.

##### Induction and Training processes

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

##### Separation of the position of Chairman and Managing Director

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

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Corporate Governance Report (cont'd)

#### 2.2 Membership and Changes on the Board

During the year under review, the Board of Directors of the Company was composed as follows:

Director	Position	Date appointed to the Board	Date(s) re-appointed/re-elected	Date of resignation/retirement
1. Mr. Tony Elumelu, CFR	Chairman	14 April, 2011	June 21, 2013, April 29, 2016, March 15, 2019, April 21, 2022	N/A
2. Dr. (Mrs) Foluke K. Abdulrazaq, OON	Vice Chairman	5 June, 2020	April 21, 2022, May 2024	N/A
3. Dr. (Mrs). Owen Omogiafo, OON	President/Group CEO	25 March, 2020	N/A	N/A
4. Mr. Emmanuel N. Nnorom	Non-Executive Director	16 December 2013	March 15, 2019, April 26, 2021, April 26, 2023	May 27, 2024
5. Dr. Stanley Lawson	Non-Executive Director	19 September, 2011	June 21, 2013, May 8, 2015, April 30, 2018, April 21, 2022	N/A
6. Dr. (Mrs.) Toyin Sanni	Non-Executive Director	30 October, 2018	April 26, 2021, April 26, 2023	N/A
7. Mr. Victor Famuyibo	Independent Non - Executive Director	22 April, 2021	April 26, 2023	N/A
8. Mallam Ahmadu Sambo	Independent Non - Executive Director	22 April, 2021	May 2024	N/A
9. Mr. Oliver Andrews	Independent Non - Executive Director	23 August, 2021	May 2024	N/A
10. Mr. Chiugo Ndubisi	Non-Executive Director	27 May, 2024	N/A	N/A

#### 2.3 Board Meeting Attendance

During the year under review, the Board met six (6) times. The table below shows the frequency of meetings of the Board and members attendance

Director	Total Attendance	7-Feb	12-Mar	26-May	25-Jul	3-Dec	16-Dec
Mr. Tony O. Elumelu, CFR	6	✓	✓	✓	✓	✓	✓
Dr. (Mrs) Foluke K. Abdulrazaq, OON	6	✓	✓	✓	✓	✓	✓
Dr. (Mrs). Owen Omogiafo, OON	6	✓	✓	✓	✓	✓	✓
Mr. Emmanuel Nnorom*	3	✓	✓	✓	N/A	N/A	N/A
Dr. Stanley Lawson	6	✓	✓	✓	✓	✓	✓
Dr. (Mrs) Toyin Sanni	6	✓	✓	✓	✓	✓	✓
Mr. Victor Famuyibo	6	✓	✓	✓	✓	✓	✓
Mallam Ahmadu Sambo	6	✓	✓	✓	✓	✓	✓
Mr. Oliver Andrews	6	✓	✓	X	✓	✓	✓
Mr. Chiugo Ndubisi**	3	N/A	N/A	N/A	✓	✓	✓

\*Mr. Nnorom retired from the Board on May 27, 2024

\*\*Mr. Chiugo Ndubisi was appointed to the Board on May 27, 2024.

**Corporate Governance Report (cont'd)**

**2.4 Board Committees & Executive Management Committee (cont'd)**

**(a) Board Audit & Governance Committee**

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

- Establish procedures for the nomination of Directors.
- Approve recruitments, promotions, redeployments, and disengagements for the Company/Group heads of departments that make up the Executive Management Committee
- Recommend to the Board compensation for all staff of the Company
- Review and evaluate the skills of members of the Board.
- Advise the Board on corporate governance standards and policies.
- Review and approve all human resources and governance policies for the Group.
- Review and recommend to the Board and Shareholders any changes to the memorandum and articles of association.
- Evaluate and appraise the performance of the Board and Board Committees and its members annually in conjunction with consultants.
- Any other function assigned to it by the Board including Audit and Regulatory Compliance.
- Assist the Board in fulfilling its oversight responsibilities with regard to audit and control.
- Monitor and evaluate on a regular basis, the qualifications, independence and performance of external and internal auditors and the financial control departments.
- Have oversight of risk management

During the year, the Committee, amongst other things, continued to work in line with its mandate and made recommendations to the Board on the matters stated above and other issues delegated to it by the Board. The Committee was composed of the following members as at December 31, 2024:

1. Dr. Stanley I. Lawson - Chairman
2. Mr. Chiugo Ndubisi - Member
3. Mr. Victor Famuyibo - Member

Written reports of the Committee's meetings, decisions made, and its recommendations are presented to the full Board at quarterly Board meetings

The BAGC met four (4) times in 2024. The table below shows the frequency of meetings and members' attendance:

	<b>Total Attendance</b>	<b>Total No. of Meetings Attended</b>	<b>27-Feb</b>	<b>19-Apr</b>	<b>18-Jul</b>	<b>24-Oct</b>
<b>Directors</b>						
<b>Dr. Stanley I. Lawson</b>	4	4	✓	✓	✓	✓
<b>Mr. Emmanuel Nnorom</b>	2	2	✓	✓	N/A	N/A
<b>Mr. Chiugo Ndubisi*</b>	2	2	N/A	N/A	✓	✓
<b>Mr. Victor Famuyibo</b>	4	4	✓	✓	✓	✓

\*Chiugo Ndubisi was appointed May 27, 2024

Each BAGC meeting was attended by the Head, Internal Audit who presented the Internal Audit Report and was also present during the presentation of the risk report by the GCFO.

**Corporate Governance Report (cont'd)**

**2.4 Board Committees & Executive Management Committee (cont'd)**

**(b) Finance and Investment Committee**

The functions of the Finance and Investment Committee (FIC) include the following:

- Discharge the Board's responsibilities with regard to strategic direction and budgeting.
- Provide oversight on financial matters and the performance of the Group.
- Review and recommend investment opportunities or initiatives to the Board for decision.
- Recommend financial and investment decisions within its approved limits.
- Ensure that an effective system of financial and internal control is in place
- Monitor and assess the overall integrity of the financial statements and disclosures of the financial condition and results of the Group.

During the year, the Committee amongst other things reviewed the Company's process of accepting credit facilities from financial institutions, quarterly financial statements, tax-related matters, funding requirements of operating businesses, budgets, earnings forecasts, progress on key investments, and more. The Committee took certain decisions on the above-mentioned matters and made recommendations to the Board for approval.

The Committee comprises:

- |    |                              |   |                                  |
|----|------------------------------|---|----------------------------------|
| 1. | Mr. Emmanuel N. Nnorom       | - | Chairman (Retired 27 May 2024)   |
| 2. | Mr. Chiugo Ndubisi           | - | Chairman (Appointed 27 May 2024) |
| 3. | Dr. (Mrs) Owen Omogiafo, OON | - | Member                           |
| 4. | Mr. Oliver Andrews           | - | Member                           |
| 5. | Dr. (Mrs) Toyin Sanni        | - | Member                           |
| 6. | Mallam Ahmadu Sambo          | - | Member                           |

During the year under review, the FIC met four (4) times. The table below shows the frequency of meetings of FIC and members' attendance:

Directors	Total Attendance	Total No. of Meetings Attended	27-Feb	19-Apr	23-Jul	19 Nov
Mr. Emmanuel N. Nnorom *	2	2	✓	✓	N/A	N/A
Mr. Chiugo Ndubisi**	2	2	N/A	N/A	✓	✓
Dr. (Mrs) Owen Omogiafo, OON	4	4	✓	✓	✓	✓
Mr. Oliver Andrews	4	4	✓	✓	✓	✓
Dr. (Mrs) Toyin Sanni	4	4	✓	✓	✓	✓
Mallam Ahmadu Sambo	4	4	✓	✓	✓	✓

\*Retired May 27, 2024

\*\*Appointed May 27, 2024

Each FIC meeting was attended by the Group CFO who presented the Financial Reports.

**Corporate Governance Report (cont'd)**

**2.4 Board Committees & Executive Management Committee (cont'd)**

**(c) The Statutory Audit Committee**

The Statutory Audit Committee (SAC) is broadly empowered to, amongst other things review the Group's financial reporting process, its system of audit, internal control, and management of financial risk with a view to ensuring compliance with statutory, regulatory and professional requirements. The Committee, which also reviews the performance of external auditors to the Company, is chaired by a shareholder and has two other shareholders and two directors as members. In addition to the powers conferred on it by CAMA, the Committee is empowered to engage the services of independent consultants in the discharge of its duties. The Committee comprises:

- |                          |   |
|--------------------------|---|
| 1. Mr. John Isesele      | - Chairman (Shareholder representative) |
| 2. Mr. Mathew Esonanjour | - Member (Shareholder representative)   |
| 3. Ms. Judith Rapu       | - Member (Shareholder representative)   |
| 4. Dr. Stanley I. Lawson | - Member (Director representative)      |
| 5. Mr. Victor Famuyibo   | - Member (Director representative)      |

During the year under review, the SAC met four (4) times. The table below shows the frequency of meetings of the SAC and members' attendance.

	Total	Total No. of				
Members	Attendance	Meetings	12-Mar	9-May	25-Jul	28-Nov
		Attended				
Mr. John Isesele	4	4	✓	✓	✓	✓
Mr. Matthew Esonanjour	4	4	✓	✓	✓	✓
Ms. Judith Rapu	4	4	✓	✓	✓	✓
Dr. Stanley Lawson	4	4	✓	✓	✓	✓
Mr. Victor Famuyibo	4	4	✓	✓	✓	✓

**(d) Executive Management Committee**

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

- Articulating the strategy of the Group and recommending the same to the Board for approval.
- Discussing strategic matters and their impact on the Group's investment portfolio.
- Articulating the manner through which investment sectors/new business areas and geographies will be chosen and making recommendations to the Board in that regard.
- Recommending to the Board the framework or policy for investment; and monitoring the implementation of investment procedures.
- In line with Board approvals, outlining of philosophy, policy, objectives and resultant tasks to be accomplished
- Recommending to the Board, structures and systems through which activities are arranged, defined and coordinated in terms of specific objectives.
- Preparation of annual financial plans for the approval of the Board and ensuring the achievement of set objectives.
- Reviewing and approval of the structure and framework for performance reporting of subsidiary companies.

## **Corporate Governance Report (cont'd)**

### **2.4 Board Committees & Executive Management Committee (cont'd)**

The Executive Management Committee comprises:

1. President/ Group CEO
2. CEOs of Subsidiaries
3. Group Chief Finance Officer
4. Group Company Secretary
5. Group Head, Legal & Regulatory Management
6. Group Head, Human Resources
7. Group Head, Internal Audit and Control
8. Group Head, Marketing and Corporate Communications
9. Chief Information & Technology Officer
10. Head, Strategy & Business Transformation

The EMC meets fortnightly to consider operational matters and the President/GCEO is the Chairman of the EMC. The Committee is responsible for the management of the Group's businesses.

#### **Directors' Remuneration Policy**

The Board's remuneration policy as embedded in the Board Charter is structured to suit the environment in which it operates and the results it achieves at the end of each financial year. The Policy is reviewed when necessary to meet economic realities and includes the following:

Non-Executive Directors

#### **Annual Fees & Allowances**

Non-executive Directors earn N5,300,000 as Directors' fees annually while the Chairman earns N8,000,000. Other remuneration components are payable quarterly, once or half-yearly.

#### **Board Meetings**

Non- Executive Directors earn N350,000 sitting allowances per meeting while the Chairman earns N500,000. Transportation costs and hotel expenses are reimbursed where applicable.

#### **Committee Meetings**

Non- Executive Directors earn N300,000 sitting allowances per meeting, while the Chairman earns N350,000. Transportation costs and hotel expenses are reimbursed where applicable

#### **Executive Directors**

The remuneration policy for executive directors includes the following:

- Fixed remuneration: taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent posts of equivalent status within the industry both within and outside Nigeria
- Variable annual remuneration linked to performance: The amount of this remuneration is subject to achieving specific, quantifiable and measurable Key Performance Indicators (KPIs) set and appraised annually by the Parent and Company Boards.



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

**Corporate Governance Report (cont'd)**

**Summary Report of the Annual Corporate Governance Evaluation**

The firm of Angela Aneke & Co. Limited performed the evaluation of the Board for the year ended December 31, 2024 in line with the requirements of the Financial Reporting Council (“FRC”) Code of Corporate Governance (the “Code”).

**Human Resource Policies and internal management structure**

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

**Gender diversity on the Board and employment**

The Company ensures gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The ratio of women to men in the Company at Board level is 1:2

**Statement by the Board on the Company’s Environment, Social and Governance (ESG) activities**

The Company was involved in Environment, Social and Governance activities that make the company address environmental or social issues which impact its stakeholders.

**AUDITORS**

The firm of Deloitte & Touche has served for a period of five years as the independent Auditors. In accordance with section 401(2) Companies and Allied Matters Act 2020, Deloitte & Touche have indicated their willingness to continue after their five years as independent Auditor of the company. The directors shall seek members’ authorisation at the Annual General Meeting to fix their remuneration.

**By Order of the Board**

---

**Atinuke Kolade**  
**FRC/2019/PRO/NBA/002/00000019306**  
**Group Company Secretary**  
**6 March 2025**

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

### Statement of Directors' Responsibilities

The Directors of Transnational Corporation Plc accept responsibility for the preparation of the consolidated and separate financial statements that give a true and fair view of the financial position of the Group as at 31 December 2024, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with IFRS Accounting Standards and in the manner required by the Companies and Allied Matters Act of Nigeria 2020, and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

In preparing the financial statements, the Directors are responsible for:

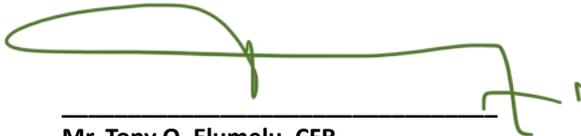
- a) properly selecting and applying accounting policies
- b) presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- c) providing additional disclosures when compliance with the specific requirements in IFRS Accounting Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance.

### Going Concern

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the Group will not remain a going concern in the year ahead.

The financial statements of the Group for the year ended 31 December 2024 were approved by the Directors on 6 March 2025.

### On behalf of the Directors of the Company



Mr. Tony O. Elumelu, CFR  
Chairman, Board of Directors  
FRC/2013/PRO/DIR/003/00000002590



Dr. (Mrs) Owen Omogiafo, OON  
President/GCEO  
FRC/2019/PRO/DIR/003/00000019827

5

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

### Certification of Financial Statements

In accordance with section 405 of the Companies and Allied Matters Act of Nigeria 2020, the Chief Executive Officer and the Chief Finance Officer certify that the financial statements have been reviewed and based on our knowledge, the:

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

We state that Management and Directors:

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

We have disclosed:

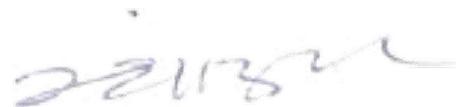
- (i) all significant deficiencies in the design or operation of internal controls which could adversely affect the Group ability to record, process, summarise and report financial data, and has identified for the Group's auditors any material weaknesses in internal controls, and
- (ii) whether or not,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

The financial statements of the Group for the year ended 31 December 2024 were approved by the Directors on 6 March 2025.



---

**Dr. (Mrs) Owen Omogiafo, OON**  
President/GCEO  
FRC/2019/PRO/DIR/003/00000019827



---

**Mr. Festus Izevbizua**  
Group Chief Finance Officer  
FRC/2013/PRO/ICAN/001/00000001628

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

### Report of the Audit Committee

#### To the Members of Transnational Corporation Plc

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

- (a) The accounting and reporting policies of the Company for the year ended 31 December 2024 are consistent with legal requirements and ethical practices;
- (b) The internal audit programs are extensive and provide a satisfactory evaluation of the efficiency of the internal control systems
- (c) The scope and planning of the statutory independent audit for the year ended 31 December 2024 are satisfactory; and
- (d) We have considered the independent auditors' post-audit report and Management responses thereon and are satisfied with the responses to our questions as well as the state of affairs at Transnational Corporation Plc



**John Isesele**

**FRC/2014/PRO/ICAN/004/00000008988**

Dated this 5th day of March 2025

#### Members of the Statutory Audit Committee

- |                               |   |          |                                      |
|-------------------------------|---|----------|--------------------------------------|
| 1. Mr. John Isesele           | - | Chairman | (Representative of shareholders)     |
| 2. Mr. Matthew Esonanjor, SAN | - | Member   | (Representative of shareholders)     |
| 3. Ms. Judith Rapu            | - | Member   | (Representative of shareholders)     |
| 4. Dr. Stanley Lawson         | - | Member   | (Non-Executive Director)             |
| 5. Mr. Victor Famuyibo        | - | Member   | (Independent Non-Executive Director) |



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

**Certification By Company Secretary**

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, 2020 that for the year ended 31 December 2024, the Company has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.

A handwritten signature in black ink, appearing to read "Atinuke Kolade".

---

**Atinuke Kolade**  
**Company Secretary**  
**FRC/2019/PRO/NBA/002/00000019306**  
**6 March 2025**

## **Management’s Report on the Assessment of Internal Control Over Financial Reporting**

The Management of Transnational Corporation Plc ("Transcorp Plc" or the "Company") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to management and the Board of Directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Transcorp Plc’s system of internal control over financial reporting is supported with written policies and procedures, contains self-monitoring mechanisms, and is audited by the internal audit function. Appropriate actions are taken by management to correct deficiencies as they are identified. All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and, therefore, can provide only reasonable assurance as to the reliability of financial statement preparation and asset safeguarding.

In addition, the internal audit function provides its independent assurance on the effectiveness of the internal control over financial transactions by its structured review of Finance activities.

Management has assessed the effectiveness of its internal control over financial reporting as of December 31, 2024. In making this assessment, management used the COSO 2013 “Internal Control –Integrated Framework” issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management believes that, as of December 31, 2024, the Company’s internal control over financial reporting is designed and operating effectively. Additionally, based upon management’s assessment, the Company determined that there were no material weaknesses in its internal control over financial reporting as of December 31, 2024.

The effectiveness of the Company’s internal control over financial reporting as of December 31, 2024, has been audited by Deloitte, an independent registered public accounting firm.

**Dated this 6th day of March 2025.**



---

**Dr. (Mrs) Owen Omogiafo, OON**  
President/GCEO  
FRC/2019/PRO/DIR/003/00000019827



---

**Mr. Festus Izevbizua**  
Group Chief Finance Officer  
FRC/2013/PRO/ICAN/001/00000001628

## Independent Auditors' Report

To the Shareholders of Transnational Corporation Plc

Report on the Audit of the Consolidated and Separate Financial Statements

### Opinion

We have audited the consolidated and separate financial statements of **Transnational Corporation Plc** and its subsidiaries (the Group and Company) set out on pages 29 to 132, which comprise the consolidated and separate statements of financial position as at 31 December 2024, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including a summary of material accounting policy information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of **Transnational Corporation Plc** as at 31 December 2024, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020 and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

### Basis for Opinion

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

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matter	How the matter was addressed in the audit
<p><b>Assessment of goodwill impairment - Consolidated</b></p> <p>The Group has a material balance of N28.96 billion as goodwill, which principally relates to the acquisition of Transcorp Power Plc(TPP) and consolidation of Transcorp Hotel Plc (THP). The asset is not amortised but tested for impairment annually.</p> <p>Goodwill is calculated as the difference between the purchase consideration and the share of net assets acquired; it is allocated to the Cash Generating Units (CGUs) of THP and TPP.</p> <p>In line with the provision of IAS 36 – impairment of assets, goodwill should be tested for impairment annually. The Group tested impairment for the two sets of Goodwill.</p> <p>The recoverable amounts of the two sets of Goodwill have been determined using the Value-In-Use approach. In determining the value in use, the Group has estimated future cash flows, associated discount rates and growth rates based on the Directors’ view of future business process.</p> <p>The current economic climate increases the complexity of forecasting. Scrutiny is placed on forecast assumptions and discount rates, with a greater focus on more recent trends and less reliance on historical trends.</p> <p>The annual impairment test is significant to the audit because the balance involved is significant to the Group and the testing process is complex and requires significant judgment made by the Directors concerning the estimated value.</p> <p>Accordingly, the impairment test of goodwill is considered a key audit matter due to the impact of the above assumptions.</p> <p>The disclosure of goodwill is set out in Note 23 of the consolidated and separate financial statements.</p>	<p>To determine the appropriateness of the management assumptions and conclusions on the impairment assessment of the goodwill balance, in line with the provisions of IAS 36, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• We considered the determination of Transcorp Hotels Plc (THP) and Transcorp Power (TPP) as identifiable cash-generating units.</li> <li>• We obtained an understanding of management’s processes and controls in place and carried out test of the controls.</li> <li>• Involved internal valuation specialists to assist in the review of the Goodwill testing carried out by the management,</li> <li>• Evaluated the appropriateness of the approach - value in use methods - adopted by management in determining the recoverable amounts of the cash generating units.</li> <li>• Evaluated the reasonableness of the management’s assumptions and judgements in respect of the forecast and discount rate used in the Value- in- Use computation.</li> <li>• Compared the cash flows forecast to approved budgets and other relevant market and economic information.</li> <li>• Re-performed the goodwill impairment test computation under Value- in- Use approach to check for mathematical accuracy.</li> <li>• Performed the goodwill impairment test computation under Fair Value Less Cost of Disposal (FVL COD) approach as a corroborative approach.</li> <li>• Carried out sensitivity analysis of major inputs such as terminal growth rates and discount rates; and</li> <li>• We checked the sufficiency and appropriateness of the related disclosures in the financial statements.</li> </ul> <p>Based on the procedures performed, we believe the goodwill impairment assessment by the Group is reasonable and the balance is not impaired.</p>

Key Audit Matter	How the matter was addressed in the audit
<p><b>Impairment assessment of Plant and Machinery for Transcorp Power Plc</b></p> <p>Turbines which form part of Transcorp Power Plc’s Plant and Machinery, were tested for impairment during the year. The Directors carried out the test in responding to the impairment indicators observed.</p> <p>IAS 36 - Impairment of Assets requires that a company's assets are not carried at more than their recoverable amounts; and to be assessed at each reporting date to determine whether there is any indication of impairment.</p> <p>Impairment indicators are observed from either external sources such as market value decline, negative changes in technology, markets, economy, laws, and regulatory environment or from internal sources such as obsolescence, physical damage and idle asset.</p> <p>To determine the recoverable amount, the Group adopted fair value less cost to sell. An external valuer was engaged to determine the fair value of the related Plant and equipment (Turbines), which involved some assumptions.</p> <p>Due to the materiality of the assets balance and the level of judgement involved in estimating fair value less cost to sell, we have considered impairment assessment of Transcorp Power Plc’s plant and machinery (Turbines) as a key audit matter for the Group Financial statements.</p> <p>As disclosed in Note 20, the carrying amount of the Plant and Machinery was N168.1 billion as at 31 December 2024. The amount relating to Transcorp Power Plc’s Plant and Machinery (Turbines) was N41.7 billion.</p>	<p>The audit procedures we performed include the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of management's processes and controls in place to determine impairment indicators and carried out test of the controls.</li> <li>• We physically verified the gas turbines and transformers to confirm its existence and working condition.</li> <li>• We obtained and reviewed management assessment of impairment.</li> <li>• We obtained and reviewed management calculation of the recoverable amount of the related plant and machinery, as performed by the management expert. The management adopted fair value less cost to sell as recoverable amount.</li> <li>• We involved our valuation specialists to review the model adopted and used by the management expert and evaluated the appropriateness, reasonableness of the assumptions and methodology adopted.</li> <li>• We checked to ascertain that the carrying amount of plant and machinery was not higher than the recoverable amount.</li> <li>• We checked the sufficiency and appropriateness of the related disclosures in the financial statements.</li> </ul> <p>Based on the procedures performed, we believe that the impairment assessment on the Group’s plant and machinery (Turbines) was reasonable, and no impairment loss noted.</p>

## Other Information

The directors are responsible for the other information. The other information comprises Corporate Information, the Directors’ Report, Corporate Governance Report, Statement of Directors Responsibilities for the Preparation of the Financial Statements, Certification of the Financial Statements, Report of the Statutory Audit Committee, Management's Report on the Effectiveness of Internal Control over Financial Reporting and Other national Disclosures (Consolidated and Separate Value-Added Statement and Consolidated and Separate Five-Year Financial Summary), which we obtained prior to the date of this report, and the ESG Report, Statement by the Board on the Company’s ESG Activities, Board Evaluation Report, Corporate Governance Evaluation Report all included in the Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

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

## **Responsibilities of the Directors for the Consolidated and Separate Financial Statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council of Nigeria (Amendment) Act 2023 and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### Report on Other Legal and Regulatory Requirements

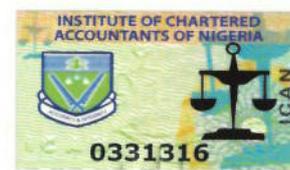
In accordance with the Fifth Schedule of Companies and Allied Matters Act, we expressly state that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Group has kept proper books of account, so far as appears from our examination of those books.
- iii. The Group and Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

In accordance with the requirements of the Financial Reporting Council of Nigeria, we performed a limited assurance engagement and reported on management's assessment of the Entity's internal control over financial reporting as of 31 December 2024. The work performed was done in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting (this Guidance), and we have issued a report with no exception in our report dated 7 March 2025. That report is included on pages 27 and 28 of the financial statements.



Stella Mba, FCA - FRC/2013/PRO/ICAN/004/00000001348  
For: Deloitte & Touche (FRC/2022/Coy/091021)  
Chartered Accountants  
Lagos, Nigeria  
07 March 2025



## Assurance Report of Independent Auditor

### To the Shareholders of Transnational Corporation Plc

#### Assurance Report on management's assessment of controls over financial reporting

We have performed a limited assurance engagement in respect of the systems of internal control over financial reporting of Transnational Corporation Plc and its subsidiaries ("the Group") as of 31 December, 2024, in accordance with the FRC Guidance on assurance engagement report on Internal Control over Financial Reporting and based on criteria established in the Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) ("the ICFR framework"), the SEC Guidance on Implementation of Sections 60 to 63 of the Investments and Securities Act of 2007 and FRC Guidance on Management Report on Internal Control Over Financial Reporting. Transnational Corporation Plc management is responsible for maintaining effective internal control over financial reporting and for assessing the effectiveness of internal control over financial reporting including the accompanying Management's Report on Internal Control Over Financial Reporting.

We have also audited, in accordance with the International Standards on Auditing, the financial statements of the Group and our report dated 7 March 2025 expressed an unmodified opinion.

#### Limited Assurance Conclusion

Based on the procedures we have performed and the evidence that we have obtained, nothing has come to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting, as of the specified date, based on the SEC Guidance on Management Report on Internal Control Over Financial Reporting.

#### Definition of internal control over financial reporting

Internal control over financial reporting is a process designed by, or under the supervision of, the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that:

- I. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- III. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent limitations

Our procedures included the examination of historical evidence of the design and implementation of the Group's system of internal control over financial reporting for the year ended 31 December 2024. Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Our limited assurance report is subject to these inherent limitations.



## Directors' and Management's Responsibilities

The Directors are responsible for ensuring the integrity of the entity's financial controls and reporting.

Management is responsible for establishing and maintaining a system of internal control over financial reporting that provides reasonable assurance regarding the reliability of financial reporting, and the preparation of financial statements for external purposes in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board and the ICFR framework.

Section 7(2f) of the Financial Reporting Council of Nigeria (Amendment) Act 2023 further requires that management perform an assessment of internal controls, including information system controls. Management is responsible for maintaining evidential matters, including documentation, to provide reasonable support for its assessment of internal control over financial reporting.

## Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

## Auditor's Responsibility and Approach

Our responsibility is to express a limited assurance opinion on the company's internal control over financial reporting based on our Assurance engagement.

We performed our work in accordance with the FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting and the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than the Audits or Reviews of Historical Financial Information (ISAE 3000) revised. That Standard requires that we comply with ethical requirements and plan and perform the limited assurance engagement to obtain limited assurance on whether any matters come to our attention that causes us to believe that the Group did not establish and maintain an effective system of internal control over financial reporting in accordance with the ICFR framework.

That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion on whether the Group established and maintained an effective system of internal control over financial reporting.

As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances.

We believe the procedures performed provides a basis for our report on the internal control put in place by management over financial reporting.



Stella Mba - FRC/2013/PRO/ICAN/004/00000001348  
For: Deloitte & Touche (FRC/2022/Coy/091021)  
Lagos, Nigeria  
07 March 2025



## Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

	Note(s)	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue*	9	407,915,908	196,989,632	14,409,555	16,025,628
Cost of sales	10	(212,249,834)	(87,845,762)	-	-
<b>Gross profit</b>		<b>195,666,074</b>	<b>109,143,870</b>	<b>14,409,555</b>	<b>16,025,628</b>
Other gains or losses*	11	5,317,189	2,886,441	4,504,248	1,656,910
Gain on the disposal of shares	11.2	10,907,442	-	10,907,442	-
Impairment loss on financial assets	16	(8,925,211)	(2,634,673)	(126,876)	(118,535)
Impairment loss on goodwill	23	-	(1,011,644)	-	-
Administrative expenses	15	(53,924,899)	(26,942,911)	(4,524,364)	(2,264,585)
<b>Operating profit</b>		<b>149,040,595</b>	<b>81,441,083</b>	<b>25,170,005</b>	<b>15,299,418</b>
Net foreign exchange gain/(loss)	11.1	4,345,733	945,040	(970)	13,575
Finance income	12	1,814,739	1,424,671	2,205,821	1,277,061
Finance cost	13	(18,532,821)	(25,004,789)	(8,888,414)	(6,897,856)
<b>Profit before tax</b>		<b>136,668,246</b>	<b>58,806,005</b>	<b>18,486,442</b>	<b>9,692,198</b>
Income tax	17	(42,579,495)	(26,169,757)	(1,588,795)	(1,640,808)
<b>Profit for the year from continuing operations</b>		<b>94,088,751</b>	<b>32,636,248</b>	<b>16,897,647</b>	<b>8,051,390</b>
<b>Discontinued Operations</b>					
Loss for the year from discontinued operations	27.2	-	(160,854)	-	-
<b>Profit for the year</b>		<b>94,088,751</b>	<b>32,475,394</b>	<b>16,897,647</b>	<b>8,051,390</b>
<b>Other comprehensive (loss)/income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on valuation of investments in equity instruments	25	4,042,958	8,712,952	4,042,958	8,712,952
Net Loss from changes in actuarial assumptions	39	(222,132)	(56,492)	-	-
Tax credit on actuarial losses	39	73,304	18,642	-	-
<b>Items that will be reclassified to profit or loss</b>		-	-	-	-
<b>Other comprehensive income/(loss) for the year</b>		<b>3,894,130</b>	<b>8,675,102</b>	<b>4,042,958</b>	<b>8,712,952</b>
<b>Total comprehensive income for the year</b>		<b>97,982,881</b>	<b>41,150,496</b>	<b>20,940,605</b>	<b>16,764,342</b>
<b>Profit attributable to:</b>					
Owners of the parent		51,524,914	16,377,832	16,897,647	8,051,390
Non-controlling interest		42,563,837	16,097,562	-	-
		<b>94,088,751</b>	<b>32,475,394</b>	<b>16,897,647</b>	<b>8,051,390</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		55,454,525	25,061,957	20,940,605	16,764,342
Non-controlling interest	41	42,528,356	16,088,539	-	-
		<b>97,982,881</b>	<b>41,150,496</b>	<b>20,940,605</b>	<b>16,764,342</b>
Earnings per share					
<b>Per share information</b>					
Basic earnings per share (Kobo)	19	145	40	48	20
Diluted earnings per share (Kobo)	19	145	40	48	20

\*There has been a reclassification of the comparative balance in the current year, refer to note 48

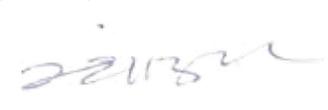
The notes on pages 34 to 132 form an integral part of the consolidated and separate financial statements.

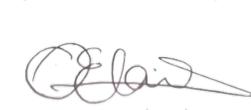
**Consolidated and Separate Statements of Financial Position  
As at 31 December 2024**

	Note(s)	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	20	310,491,396	294,520,208	69,602	58,355
Right-of-use assets	21	118,247	175,006	118,247	175,006
Investment properties	22	6,900,000	4,600,000	6,900,000	4,600,000
Goodwill	23	28,959,387	28,959,387	-	-
Other intangible assets	24	17,399,314	11,445,973	5,075,818	5,075,818
Investments in subsidiaries	6	-	-	52,239,973	52,539,631
Investment in financial asset	25	18,217,915	14,156,499	16,428,215	12,385,257
Other Investments	40	22,178,172	1,800,450	3,777,822	400,100
Prepayments and other assets	30	32,506	22,154	32,506	22,154
Long-term receivables	29.8	1,856,250	-	-	-
		<b>406,153,187</b>	<b>355,679,677</b>	<b>84,642,183</b>	<b>75,256,321</b>
<b>Current Assets</b>					
Inventories	28	4,683,722	3,984,305	-	-
Deposit for Investments	37	-	-	28,385,000	-
Trade and other receivables	29.8	320,643,269	146,398,317	27,933,258	58,215,724
Prepayments and other assets	30	2,116,172	4,384,795	77,402	29,506
Cash and bank balances	31	17,966,955	16,577,762	927,838	997,910
		<b>345,410,118</b>	<b>171,345,179</b>	<b>57,323,498</b>	<b>59,243,140</b>
Asset classified as held for sale	27	-	2,898,863	-	-
		<b>345,410,118</b>	<b>174,244,042</b>	<b>57,323,498</b>	<b>59,243,140</b>
<b>Total Assets</b>		<b>751,563,305</b>	<b>529,923,719</b>	<b>141,965,681</b>	<b>134,499,461</b>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	32	5,080,999	20,323,996	5,080,999	20,323,996
Share premium	33	6,249,871	6,249,871	6,249,871	6,249,871
Share reconstruction reserve	32.2	15,242,997	-	15,242,997	-
Other reserves		38,850,066	34,920,455	14,346,323	10,303,365
Retained earnings	32.3	112,317,867	68,922,551	34,514,637	25,746,588
Equity attributable to holders of parent		<b>177,741,800</b>	<b>130,416,873</b>	<b>75,434,827</b>	<b>62,623,820</b>
Non-controlling interest	41	93,951,248	56,880,827	-	-
<b>Total Equity</b>		<b>271,693,048</b>	<b>187,297,700</b>	<b>75,434,827</b>	<b>62,623,820</b>
<b>Liabilities</b>					
<b>Non-Current Liabilities</b>					
Borrowings	26	50,415,460	52,054,530	8,577,195	8,711,590
Deposit for shares	38	27,935,000	12,935,000	-	-
Defined Benefit Liability	39	420,815	211,836	-	-
Contract Liabilities	35	1,833,905	1,986,730	-	-
Deferred income	34	650,778	1,100,082	-	-
Deferred tax liabilities	18.2	21,498,794	18,770,156	-	-
		<b>102,754,752</b>	<b>87,058,334</b>	<b>8,577,195</b>	<b>8,711,590</b>
<b>Current Liabilities</b>					
Trade and other payables	36	281,223,806	180,709,999	30,685,747	36,606,181
Borrowings	26	38,096,782	51,324,795	26,237,327	25,922,020
Contract Liabilities	35	357,709	296,375	-	-
Deferred income	34	469,000	457,500	25,000	13,500
Defined Benefit Liability	39	45,936	32,231	-	-
Income tax payable	17.1	56,922,272	22,347,922	1,005,585	622,350
		<b>377,115,505</b>	<b>255,168,822</b>	<b>57,953,659</b>	<b>63,164,051</b>
Liabilities directly associated with assets classified as held for sale	27	-	398,863	-	-
<b>Total Liabilities</b>		<b>479,870,257</b>	<b>342,626,019</b>	<b>66,530,854</b>	<b>71,875,641</b>
<b>Total Equity and Liabilities</b>		<b>751,563,305</b>	<b>529,923,719</b>	<b>141,965,681</b>	<b>134,499,461</b>

The consolidated and separate financial statements were approved by the Board of Directors on 6 March 2025 and were signed on its behalf by:

  
Mr. Tony O. Elumelu, CFR  
Chairman, Board of Directors  
FRC/2013/PRO/DIR/003/00000002590

  
Mr. Festus Izevbizua  
Group Chief Finance Officer  
FRC/2013/PRO/ICAN/001/00000001628

  
Dr. (Mrs) Owen Omogiafo, OON  
President/Group CEO  
FRC/2019/PRO/DIR/003/00000019827

The notes on pages 34 to 132 form an integral part of the consolidated and separate financial statements.



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

**Consolidated and Separate Statements of Changes In Equity**

	Share capital N'000	Share premium N'000	Share reconstruction reserve	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parents N'000	Non- controlling interest N'000	Total equity N'000
<b>Group</b>								
<b>Balance at 1 January, 2023</b>	<b>20,323,996</b>	<b>6,249,871</b>		<b>26,236,330</b>	<b>54,577,014</b>	<b>107,387,211</b>	<b>47,386,526</b>	<b>154,773,737</b>
Profit for the year	-	-		-	16,377,832	16,377,832	16,097,562	32,475,394
Other comprehensive income*	-	-		8,684,125	-	8,684,125	(9,023)	8,675,102
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>		<b>8,684,125</b>	<b>16,377,832</b>	<b>25,061,957</b>	<b>16,088,539</b>	<b>41,150,496</b>
Dividends (Note 36.1)	-	-		-	(2,032,295)	(2,032,295)	(11,851,173)	(13,883,468)
Scrip dividend	-	-		-	-	-	5,256,935	5,256,935
<b>Total distributions to owners of company recognised directly in equity</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>(2,032,295)</b>	<b>(2,032,295)</b>	<b>(6,594,238)</b>	<b>(8,626,533)</b>
<b>Balance at 31 December, 2023</b>	<b>20,323,996</b>	<b>6,249,871</b>		<b>34,920,455</b>	<b>68,922,551</b>	<b>130,416,873</b>	<b>56,880,827</b>	<b>187,297,700</b>
<b>Balance at 1 January, 2024</b>	<b>20,323,996</b>	<b>6,249,871</b>		<b>34,920,455</b>	<b>68,922,551</b>	<b>130,416,873</b>	<b>56,880,827</b>	<b>187,297,700</b>
Profit for the year	-	-		-	51,524,914	51,524,914	42,563,837	94,088,751
Other comprehensive income*	-	-		3,929,611	-	3,929,611	(35,481)	3,894,130
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>		<b>3,929,611</b>	<b>51,524,914</b>	<b>55,454,525</b>	<b>42,528,356</b>	<b>97,982,881</b>
Adjustment for disposal of shares (Note 6.2)**	-	-		-	-	-	299,658	299,658
Dividends (Note 36.1)	-	-		-	(8,129,598)	(8,129,598)	(5,757,593)	(13,887,191)
Share reconstruction (Note 32.1)	(15,242,997)	-	15,242,997	-	-	-	-	-
Scrip dividend	-	-		-	-	-	-	-
<b>Total distributions to owners of company recognised directly in equity</b>	<b>(15,242,997)</b>	<b>-</b>	<b>15,242,997</b>	<b>-</b>	<b>(8,129,598)</b>	<b>(8,129,598)</b>	<b>(5,457,935)</b>	<b>(13,587,533)</b>
<b>Balance at 31 December, 2024</b>	<b>5,080,999</b>	<b>6,249,871</b>	<b>15,242,997</b>	<b>38,850,066</b>	<b>112,317,867</b>	<b>177,741,800</b>	<b>93,951,248</b>	<b>271,693,048</b>
Note(s)	32	33	32.1				41	

\*Other comprehensive income represents fair value gain/ (loss) on equity investment and actuary gain/(loss) on defined benefit during the year.

The notes on pages 34 to 132 form an integral part of the consolidated and separate financial statements.



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

**Consolidated and Separate Statements of Changes In Equity**

	Share capital N'000	Share premium N'000	Share reconstruction reserve	Other reserves N'000	Retained earnings N'000	Total attributable to owners of the parents N'000	Non- controlling interest N'000	Total equity N'000
<b>Company</b>								
<b>Balance at 1 January, 2023</b>	<b>20,323,996</b>	<b>6,249,871</b>	-	<b>1,590,413</b>	<b>19,727,493</b>	<b>47,891,773</b>	-	<b>47,891,773</b>
Profit for the year	-	-	-	-	8,051,390	8,051,390	-	8,051,390
Other comprehensive income	-	-	-	8,712,952	-	8,712,952	-	8,712,952
<b>Total comprehensive income for the year</b>	-	-	-	<b>8,712,952</b>	<b>8,051,390</b>	<b>16,764,342</b>	-	<b>16,764,342</b>
Dividends (Note 36.1)	-	-	-	-	(2,032,295)	(2,032,295)	-	(2,032,295)
<b>Total distributions to owners of company recognised directly in equity</b>	-	-	-	-	<b>(2,032,295)</b>	<b>(2,032,295)</b>	-	<b>(2,032,295)</b>
<b>Balance at 31 December, 2023</b>	<b>20,323,996</b>	<b>6,249,871</b>	-	<b>10,303,365</b>	<b>25,746,588</b>	<b>62,623,820</b>	-	<b>62,623,820</b>
<b>Balance at 1 January, 2024</b>	<b>20,323,996</b>	<b>6,249,871</b>	-	<b>10,303,365</b>	<b>25,746,588</b>	<b>62,623,820</b>	-	<b>62,623,820</b>
Profit for the year	-	-	-	-	16,897,647	<b>16,897,647</b>	-	<b>16,897,647</b>
Other comprehensive income	-	-	-	4,042,958	-	4,042,958	-	<b>4,042,958</b>
<b>Total comprehensive income for the year</b>	-	-	-	<b>4,042,958</b>	<b>16,897,647</b>	<b>20,940,605</b>	-	<b>20,940,605</b>
Dividends (Note 36.1)	-	-	-	-	(8,129,598)	(8,129,598)	-	(8,129,598)
Share reconstruction (Note 32.1)	(15,242,997)	-	15,242,997	-	-	-	-	-
<b>Total distributions to owners of company recognised directly in equity</b>	<b>(15,242,997)</b>	-	<b>15,242,997</b>	-	<b>(8,129,598)</b>	<b>(8,129,598)</b>	-	<b>(8,129,598)</b>
<b>Balance at 31 December, 2024</b>	<b>5,080,999</b>	<b>6,249,871</b>	<b>15,242,997</b>	<b>14,346,323</b>	<b>34,514,637</b>	<b>75,434,827</b>	-	<b>75,434,827</b>
Note(s)	32	33	32.1					

The notes on pages 34 to 132 form an integral part of the consolidated and separate financial statements.

## Consolidated and Separate Statements of Cash Flows

	Note(s)	Group		Company	
		2024 N '000	2023 N '000	2024 N '000	2023 N '000
<b>Cash flows from operating activities</b>					
Profit Before Taxation		136,668,246	58,806,005	18,486,442	9,692,198
<b>Adjustments for:</b>					
Depreciation of property, plant and equipment	20	9,134,732	8,455,179	26,440	20,536
Amortisation of intangible assets	15	48,294	41,667	-	-
Depreciation of right of use asset	21	56,759	56,759	56,759	56,759
Loss/ (Profit) on disposal of property, plant and equipment	11	(29,290)	(18,128)	(27)	-
Gain on disposal of investments	11	(10,907,442)	-	(10,907,442)	-
Gain on asset held for sale		(56,975)	-	-	-
Adjusted loss from discontinued operations		-	(38,492)	-	-
Dividend income on equity securities	11	(2,075,863)	(673,674)	(2,075,863)	(673,674)
Net unrealised foreign exchange gain	11.1	(4,345,733)	(945,040)	-	-
Dividend forfeited on sale of shares		(121,430)	-	(121,430)	-
Finance income	12	(1,814,739)	(1,424,671)	(2,205,821)	(1,277,061)
Finance cost on loan and borrowings		18,785,524	25,004,789	8,888,414	5,732,187
Adjustment for tax on franked income	17	(859,253)	(65,196)	(859,253)	(1,294,502)
Impairment loss and write-off of financial assets	29.6	9,665,078	2,634,673	126,876	118,535
Impairment loss on goodwill	23	-	1,011,644	-	-
Increase in fair value of investment properties	22	(2,300,000)	(860,000)	(2,300,000)	(860,000)
<b>Changes in working capital:</b>					
Decrease/(Increase) in Inventories		(699,417)	1,434,818	-	-
Increase in Trade and Other Receivables		(185,766,278)	(66,772,619)	32,361,410	(27,696,791)
Decrease/(Increase) in Prepayments		2,258,271	46,004	(58,248)	(3,722)
Decrease in assets classified as held for sale		2,138,224	(203,735)	-	-
Increase in Trade and Other Payables		113,576,249	34,372,371	(8,725,157)	26,637,523
Decrease in Contract Liabilities		(91,491)	(114,734)	-	-
(Decrease)/Increase in liabilities associated with assets classified as held for sale		-	388,435	-	-
Increase in Defined Benefits		-	49,354	-	-
(Decrease)/increase in Deferred Income		(437,804)	(434,496)	11,500	13,500
<b>Cash generated from operations</b>		<b>82,825,664</b>	<b>60,750,913</b>	<b>32,704,600</b>	<b>10,465,488</b>
Income tax paid	17	(4,343,950)	(4,733,727)	(346,308)	(143,710)
Defined benefit paid		(45,384)	-	-	-
<b>Net cash generated by operating activities</b>		<b>78,436,329</b>	<b>56,017,186</b>	<b>32,358,292</b>	<b>10,321,778</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	20	(24,772,434)	(15,934,747)	(38,161)	(9,434)
Proceeds from sale of property, plant and equipment		31,722	22,905	500	-
Proceeds of disposal of investments	6	11,328,528	-	11,328,528	-
Purchase of investment in financial assets	25	(1,789,700)	-	-	-
Redemption of debt securities	25	1,771,242	-	-	-
Purchase of other investments	40	(20,377,722)	-	(3,377,722)	-
Purchase of other intangible assets	24	(6,001,635)	(1,122,233)	-	-
Proceed on disposal of subsidiary		418,750	-	-	-
Interest received	12	1,814,739	1,259,699	-	-
Dividend income on equity securities	11	2,075,863	673,674	2,075,863	673,674
Deposit for investments		-	-	(28,385,000)	-
<b>Net cash used in investing activities</b>		<b>(35,500,647)</b>	<b>(15,100,702)</b>	<b>(18,395,992)</b>	<b>664,240</b>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	26	26,868,268	14,949,597	-	-
Repayment of borrowings	26	(46,116,827)	(35,260,691)	(1,864,051)	(6,063,140)
Deposit for shares	38	15,000,000	-	-	-
Dividends paid	36.1	(26,949,633)	(8,391,150)	(8,129,598)	(2,032,295)
Interest paid	26	(14,563,356)	(6,103,309)	(4,076,547)	(3,048,926)
<b>Net cash used in financing activities</b>		<b>(45,761,548)</b>	<b>(34,805,553)</b>	<b>(14,070,196)</b>	<b>(11,144,361)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(2,825,866)</b>	<b>6,110,931</b>	<b>(107,896)</b>	<b>(158,343)</b>
Cash and cash equivalent at the beginning of the year	31	12,536,107	5,480,136	(1,294,819)	(1,136,476)
Effect of foreign exchange rate changes		4,345,733	945,040	-	-
<b>Cash and cash equivalent at end of the year</b>	<b>31</b>	<b>14,055,974</b>	<b>12,536,107</b>	<b>(1,402,715)</b>	<b>(1,294,819)</b>

The notes on pages 34 to 132 form an integral part of the consolidated and separate financial statements.



## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Notes to the Consolidated and Separate Financial Statements

#### Accounting Policies

##### 1. Corporate information

The consolidated and Separate financial statements of Transnational Corporation Plc and its subsidiaries (collectively, the Group) for the year ended 31 December, 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 6 March, 2025. Transnational Corporation Plc (the Company or the Parent) is a public company incorporated under the Companies and Allied Matters Act (CAMA) on 16 November 2004, domiciled in Nigeria and whose shares are publicly traded on the Main Board of the Nigerian Exchange Limited (NGX). The registered office is located at 38 Glover Road, Ikoyi, Lagos, Nigeria.

The Major Shareholder is HH Capital Limited with 2,997,789,337 shares being 29.5% shareholding.

The Group is principally engaged in the power, oil & gas and hospitality industries. Information on the Group's structure is provided in Note 6. Information on other related party relationships of the Group is provided in Note 43.

##### 2. Material Accounting Policies

###### 2.1 Basis of preparation

The Consolidated and Separate financial statements of the Group have been prepared in compliance with the Company and Allied Matters Act 2020 and in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and Financial Reporting Council of Nigeria (Amendment) Act, 2023.

The Consolidated and Separate financial statements have been prepared on a historical cost basis, except for investment properties and equity financial assets that have been measured at fair value. The Consolidated and Separate financial statements are presented in Naira and all values are rounded to the nearest thousand (N'000), except when otherwise indicated.

The Consolidated and Separate financial statements provide comparative information in respect of the previous year.

###### 2.2 Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

###### 2.3 Basis of consolidation

The Consolidated and Separate financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.3 Basis of consolidation (cont'd)**

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

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

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. The assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated and Separate financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full upon consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

##### **2.4 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date at fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.4 Business combinations and goodwill (cont'd)**

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non- controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the Bargain purchase gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash- generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

##### **2.5 Current versus non-current classification**

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

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

All other assets are classified as non-current.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.5 Current versus non-current classification (cont'd)**

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

##### **2.6 Fair value measurement**

The Group measures financial instruments such as equity financial assets, and non-financial assets such as investment properties, at fair value at each reporting date.

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

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

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

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

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

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

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.6 Fair value measurement (cont'd)**

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

Management determines the procedures for both recurring fair value measurement, such as investment properties.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is determined annually by management after discussion with and approval by the Board. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated after a periodic assessment on the need to change valuers are carried out. Management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

Management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, fair value measurement hierarchy - Note 8
- Quantitative disclosures of fair value measurement hierarchy - Note 8
- Investment properties - Note 22
- Financial instruments (including those carried at amortised cost) - Note 7

##### **2.7 Revenue from contracts with customers**

The Group is principally engaged in the power, oil & gas and hospitality industry.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.7 Revenue from contracts with customers (cont'd)**

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

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

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

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

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

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

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

#### **Dividend Income from subsidiaries**

Dividend income from subsidiaries is recognized when the right to receive the dividend is established, which is generally when the dividend is declared by the subsidiary. The income is recorded in the income statement of the parent company as part of its revenue. This is netted off on consolidation.

#### **Management fees from subsidiaries**

Management fees from subsidiaries are recognized as part of revenue in the financial statements. These fees are invoiced by the parent company to its subsidiaries for management services rendered. The recognition of these management fees is aligned with the recognition of the associated revenue based on the agreed-upon terms and conditions of the management service agreements. This is netted off on consolidation.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.7 Revenue from contracts with customers (cont'd)**

###### **Rooms**

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

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

###### **Food and beverages**

The Group sells food and beverages to hotel guests and visitors. The Group recognises revenue from the sale of food and beverages at a point in time when control of the food and beverage is transferred to the customer.

###### **Energy and capacity charge**

Capacity charge is recognized monthly based on the average of available capacity declared at the beginning of the month. Revenue from energy sent out is calculated on the basis of megawatts of electricity pushed to the transmission grid. The capacity charge and energy delivered are included in revenue reported in the profit and loss account.

Contract for the sale of electric power begins when the energy is generated, sent to the grid and control transfers to the transmission Group then revenue is recognised per the energy generated and transmitted to the grid by the Group.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of electric power, the Group considers the existence of significant financing components and consideration payable to the customer.

###### **Ancillary services**

Ancillary services relate to services provided by the Group, other than the primary production of electricity, which is used to operate a stable and secure Power System including but not limited to reactive power, operating reserve, frequency control and black start capability. The ancillary services are provided in line with the existing agreement.

The Group recognises revenue from ancillary services over time as control is transferred.

###### **Other services**

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.7 Revenue from contracts with customers (cont'd)**

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

##### **Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

##### **Contract Assets**

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

##### **Contract Liability**

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

##### **Security deposit**

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

#### **2.8 Taxes**

##### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **Deferred tax**

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

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 2. Material Accounting Policies (cont'd)

##### 2.8 Taxes (cont'd)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.8 Taxes (cont'd)**

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

##### **Value added tax (VAT)**

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

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

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

##### **2.9 Foreign currencies**

The Group's Consolidated and Separate financial statements are presented in Naira, which is also the parent company's functional currency. For each entity, the Group determines the functional currency; and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

##### **Transactions and balances**

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates, at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).



## **TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### **Notes to the Consolidated and Separate Financial Statements**

#### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.9 Foreign currencies (cont'd)**

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

##### **2.10 Dividend to Shareholders**

A dividend is recognized as a liability when it is declared by the board of directors and approved by the shareholders. For interim dividends, the liability is recognized as soon as the dividend is declared by the board, while for final dividends, the liability is recognized once the shareholders approve the dividend at the annual general meeting (AGM). A corresponding amount is recognised directly in equity.

##### **2.11 Property, plant and equipment**

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

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

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

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

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

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

**Notes to the Consolidated and Separate Financial Statements**

**Accounting Policies**

**2. Material Accounting Policies (cont'd)**

**2.11 Property, plant and equipment (cont'd)**

Construction in progress is stated at cost, net of accumulated impairment losses, if any. Other property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the motor vehicle, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of motor vehicle and plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Item	Depreciation Method	Average useful life
Buildings	Straight line	50 years
Freehold land	Not depreciated	
Plant and machinery	Straight line	10 to 50 years
Furniture and fixtures	Straight line	5 to 10 years
Motor vehicles	Straight line	4 to 5 years
Computer and office equipment	Straight line	3 to 10 years
Leasehold improvements	Straight line	5 to 10 years

Assets are depreciated when available for use.

**Derecognition of Property, Plant and Equipment**

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**2.12 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

**Notes to the Consolidated and Separate Financial Statements**

**Accounting Policies**

**2. Material Accounting Policies (cont'd)**

**2.12 Leases (cont'd)**

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

**Group as lessee**

The Group applies a single recognition and measurement approach for its lease. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

**Lease liability**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Right-of-Use Assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as shown below:

Item	Depreciation Method	Average useful life
Office Buildings	Straight line	5 years

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 2. Material Accounting Policies (cont'd)

##### 2.12 Leases (cont'd)

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies on Impairment of non-financial assets.

##### **Group as lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

##### 2.13 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

##### 2.14 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

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

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

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.15 Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

##### **Derecognition of Intangible Assets**

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

Goodwill with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the Cash- Generating Unit I (CGU) level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

##### **Computer software**

Computer software acquisition costs recognised as assets are amortised over their estimated useful lives from the point at which the asset is ready for use. The estimated useful lives of the software of the group is between three to eight years.

##### **Research and development**

Research costs are charged to expense as incurred.

Development expenses are capitalised when the following can be demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- Its ability to use or sell the intangible asset;
- The technical feasibility of the project and the availability of the adequate resources for the completion of the intangible asset;
- The ability of the asset to generate probable future economic benefits;
- The ability to measure reliably the expenditures attributable to the asset; and
- The feasibility and intention of the Group to complete the intangible asset and use or sell it.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.15 Intangible assets (cont'd)**

###### **Oil and natural gas exploration & evaluation, appraisal and development expenditure**

The Group applies IFRS 6 “Exploration for and Evaluation of Mineral Resources” for exploration and evaluation costs. Oil and natural gas properties and expenditures; and Exploration and Evaluation assets are accounted for in accordance with the successful effort method of accounting (SEM).

###### **Pre- license costs**

Pre-license costs are expensed in the period in which they are incurred.

###### **License acquisition costs**

Exploration license acquisition costs are capitalized within intangible assets and are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine, that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned, the carrying value of the license and property acquisition costs is written off through profit or loss. Upon recognition of proved reserves and internal approval for development, the relevant expenditure is transferred to oil and natural gas properties. License costs paid in connection with a right to explore in an existing exploration area are capitalized and amortized over the term of the permit.

###### **Acquisition of producing assets**

Upon acquisition of producing assets, where the Group does not have control, the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in IAS 38 Intangible Assets) and liabilities assumed. The purchase price paid for the group of assets is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase.

###### **Exploration and evaluation costs**

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalized as exploration and evaluation intangible assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors. Geological and geophysical costs are recognized in profit or loss as incurred.

If no potentially commercial hydrocarbons are discovered, the exploration asset is written off as a dry hole. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g., the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible asset while sufficient or continued progress is made in assessing the commerciality of the hydrocarbons.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.15 Intangible assets (cont'd)**

Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalized as an intangible asset. All such capitalized costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss. When proved reserves of oil and natural gas are identified and development is sanctioned by management, the relevant capitalized expenditure is first assessed for impairment and (if required) any impairment loss is recognized, then the remaining balance is transferred to oil and natural gas properties.

No amortization is charged during the exploration and evaluation phase. For exchanges or parts of exchanges that involve only exploration and evaluation assets, the exchange is accounted for at the carrying value of the asset given up and no gain or loss is recognized in the profit or loss.

##### **Development expenditure**

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells is capitalised within oil and natural gas properties.

##### **2.16 Financial instruments – initial recognition and subsequent measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

###### **i) Financial assets**

###### **Initial recognition and measurement**

Financial assets are classified at initial recognition as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

Financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 2. Material Accounting Policies (cont'd)

##### 2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)

###### i) Financial assets (cont'd)

###### Initial recognition and measurement (cont'd)

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

###### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

###### Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, receivables from other related parties and debt instruments.

###### Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 2. Material Accounting Policies (cont'd)

##### 2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)

###### i) Financial assets (cont'd)

###### Financial assets designated at fair value through OCI (equity instruments) (cont'd)

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

###### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

###### Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions - Note 3
- Trade and Other receivables - Note 29

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)**

###### **i) Financial assets (cont'd)**

###### **Financial assets designated at fair value through OCI (equity instruments) (cont'd)**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any).

The receivables are grouped into two categories for the purpose of ECLs assessment. For credit exposures for which there have not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there have been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### **ii) Financial liabilities**

###### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities as loans and borrowings, or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)**

###### **ii) Financial liabilities (cont'd)**

###### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

###### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

###### **Financial liabilities at amortised cost**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 26.

###### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 2. Material Accounting Policies (cont'd)

##### 2.16 Financial instruments – initial recognition and subsequent measurement (cont'd)

###### iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

##### 2.17 Inventories

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

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Direct materials: purchase cost on a weighted average basis.
- Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale for example, costs to be incurred in marketing, selling and distribution.

##### 2.18 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions - Note 3
- Property, plant and equipment - Note 20
- Intangible assets - Note 24
- Goodwill - Note 23

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash-Generating Unit (CGU)'s fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.18 Impairment of non-financial assets (cont'd)**

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

##### **2.19 Cash and cash equivalent**

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

##### **2.20 Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### **Defined contribution scheme - pension**

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

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

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 2. Material Accounting Policies (cont'd)

##### 2.21 Pension and other post-employment benefits

###### Defined contribution scheme – pension (cont'd)

The Group does not have any legal or constructive obligation to pay further amounts if the plan asset is not sufficient to fund the obligation.

###### Short term Employee Benefit

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and obligation can be estimated reliably.

###### Other long-term employee benefits

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

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

- a) the cost of the additional benefits that members accrue during the year based on projected benefit at future payment date (current service cost) (see note 15);
- b) plus net interest on the net liability, i.e.:
  - interest cost on the accrued defined benefit obligation;
  - interest income on the fair value of plan assets (if any);"

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

- the deficit in the plan; (see note 39);
- plus the effect of asset ceiling, if applicable;
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset);
- actuarial gains and losses arising during the financial year;
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability(asset); and
- any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).

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

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.22 Deferred income**

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

The difference between the transaction price and the valuation amount commonly referred to as 'day one gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised. The Group's day one gains are attributable to loans and advances from Bank of Industry (See note 34)

For the Company, deferred income relates to rental income received on the investment property. Income is recognised in equal amounts over the expected period.

##### **2.23 Profit-sharing and bonus plan**

The Group operates a bonus plan where staff are remunerated based on parameters determined by the Board. Bonus payments are at the discretion of the Board and the expense is recognised in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

##### **2.24 Non-current assets held for sale**

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the group will retain a non-controlling interest in its former subsidiary after the sale.

When the group is committed to a sale plan involving disposal of an investment in an associate or, a portion of an investment in an associate, the investment, or the portion of the investment in the associate, that will be disposed of is classified as held for sale when the criteria described above are met.

The group then ceases to apply the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate that has not been classified as held for sale continues to be accounted for using the equity method.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **2. Material Accounting Policies (cont'd)**

##### **2.25 Inventories**

Inventory is stated at a lower cost and net realisable value. Cost is determined using the weighted average cost method. The cost of inventory includes purchase costs and costs directly attributable to the purchase.

Inventory comprises of engineering spares that are not ready for use (complex installation process), tools and lubricants.

Subsequent to initial recognition, inventory is measured at the lower of cost and net realisable value. Any write down of inventory to net realisable value is recognised in the statement of profit or loss. Inventories are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

#### **3. Significant Accounting Judgements, Estimates and Assumptions**

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

##### **3.1 Judgements**

In the process of applying the Group's accounting policies, Management has made the following judgements, which have the most significant effect on the amounts recognised in the Consolidated and Separate financial statements:

###### **Revenue from contracts with customers**

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

###### **Determining the timing of satisfaction**

The Group concluded that revenue from energy and capacity supplied, rooms and other services will be recognised over time because, as the Group performs, the customer simultaneously receives and consumes the benefits provided by the Group's performance.

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

In addition, the Group determined that the output method is the best method in measuring progress of the energy and capacity supplied because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Group's performance completed to date.

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 3. Significant Accounting Judgements, Estimates and Assumptions (cont'd)

##### 3.1 Judgements (cont'd)

###### Determining the timing of satisfaction (cont'd)

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

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

Allocation of transaction price to customer loyalty programme

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

The Group has assessed that revenue earned from service charge will be recognised as the host good or service is being satisfied. For rooms and other services: revenue earned from service charge levied on rooms and other services will be recognised over time, in line with how revenue from rooms and other services are being recognised.

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

###### Principal versus agent considerations: Hilton Honors- customer loyalty program

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

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

##### 3.2 Estimates and assumptions

###### Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on comparative method of valuation was used to arrive at the fair value of the land. The Group engaged an independent valuation specialist to assess fair values as at 31 December, 2024 for the investment properties.

The key assumptions used to determine the fair value of the properties and sensitivity analyses are provided in Notes 22.

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **3. Significant Accounting Judgements, Estimates and Assumptions (cont'd)**

##### **3.2 Estimates and assumptions (cont'd)**

###### **Valuation Basis**

The basis of valuation of the investment property is the comparative method, that is, the price, which an interest in a property might reasonably be expected to realize in a comparative property within same area assuming:

- a. willing buyer;
- b. reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
- c. values will remain static throughout the period;
- d. the property will be freely exposed to the market;
- e. no account is to be taken of an additional bid by a special purchaser;
- f. no account is to be taken of expenses of realization, which may arise in the event of a disposal.

###### **Method of Valuation**

We have valued the property in the open market using the Direct Market Comparison method of valuation.

###### **Direct Market Comparison Approach**

This approach compares a subject property's characteristics with those of comparable properties which have recently sold in similar transactions to arrive at the value. The process uses one of several techniques to adjust the prices of the comparable transactions according to the presence, absence or degree of characteristics which influence value.

###### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 23.

###### **Provision for expected credit losses of trade receivables and Contract Assets**

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

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

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **3. Significant Accounting Judgements, Estimates and Assumptions (cont'd)**

##### **3.2 Estimates and assumptions (cont'd)**

###### **Provision for expected credit losses of trade receivables and Contract Assets (cont'd)**

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade and other receivables is disclosed in Note 29.

###### **Measurement of the expected credit loss allowance for financial asset**

The measurement of the expected credit loss allowance for financial assets measured at amortised cost (due from related companies) is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL in Note 29 is further detailed below, which also sets out key sensitivities of the ECL to changes in these elements.

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

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

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

###### **Taxes**

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

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 4 New Standards and Interpretations

##### 4.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2024.

##### **Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements**

The group has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- the information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

##### **Amendments to IAS 1 Classification of Liabilities as Current or Non-current**

The group has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year.

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

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

The Directors anticipate that the application of these amendments may have an impact on the company's consolidated financial statements in future periods should such transactions arise..

## **Notes to the Consolidated and Separate Financial Statements**

### **Accounting Policies**

#### **4 New Standards and Interpretations (cont'd)**

##### **4.1 Standards and interpretations effective and adopted in the current year (cont'd)**

###### **Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants**

The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

###### **Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate."

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

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 4 New Standards and Interpretations (cont'd)

##### 4.2 New and revised IFRS Standards in issue but not yet effective (cont'd)

New and amended standards and interpretations that are issued but not yet effective will not have a material impact on the Group's consolidated financial statements. At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. They are listed below:

- 1) Amendments to IAS 21 - Lack of Exchangeability
- 2) IFRS 18 Presentation and Disclosures in Financial Statements
- 3) IFRS 19 Subsidiaries without Public Accountability: Disclosures"

#### **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability**

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The amendments include accompanying new disclosures to help investors to understand the effects, risks and estimated rates and techniques used when a currency is not exchangeable.

The new requirements will be effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. The amendments to the standards is unlikely to have a significant impact on the Group's consolidated financial statements

#### **IFRS 18 Presentation and Disclosures in Financial Statements**

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

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

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 4 New Standards and Interpretations (cont'd)

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

###### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets), or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.



## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Notes to the Consolidated and Separate Financial Statements

#### Accounting Policies

#### 5 Segment analysis

##### The Group

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker has been identified as the President/Group CEO for Transnational Corporation Plc and the Managing Director/CEO of respective Subsidiary Companies. The President/Group CEO and the respective Managing Director/CEO of each subsidiary reviews the Group and Individual Company's internal reporting in order to assess performance and allocate resources. The President/Group CEO has determined the operating segments based on these reports. Assessment of performance is based on operating profit of the operating segment that is reviewed by the President/Group CEO and other Directors. Other information provided to the Board is measured in a manner consistent with that of the financial statements.

The Executive Directors consider the business from an industry perspective and have identified five (5) operating segment which are listed below.

All businesses are situated in Nigeria. In addition, inter-segmental transactions have been properly eliminated upon consolidation.

##### i Hospitality

The hospitality business is made up of its direct subsidiary Transcorp Hotels Plc. (THP) (with its subsidiaries, Transcorp Hotels Ikoyi Limited, Transcorp Hotels Port Harcourt Limited and Aura by Transcorp Hotels 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. This subsidiary is currently non-operational."

##### iii Power

This relates to subsidiaries, Transcorp Power Plc and TransAfam Power Limited (with its subsidiaries, Afam Power Plc and Afam Three Fast Power Limited). The subsidiaries engaged in generation and sale 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 Plc and the other non-operational subsidiaries.

The President who is the Chief Operating Decision Maker (CODM) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs, finance income and other income) and income taxes are managed on a Group basis and are not allocated to operating segments.

**Notes to the Consolidated and Separate Financial Statements**

**Accounting Policies**

**5 Segment analysis (cont'd)**

The revenue from external parties reported to the Group is measured in a manner consistent with that in the income statement.

Total segment assets are included in the reconciliation to the total statement of financial position assets.

	Hospitality N'000	Oil & Gas N'000	Agro- Allied N'000	Power N'000	Corporate Centre N'000	Inter-Segment Elimination N'000	Total N'000
<b>As at 31 December 2024</b>							
Revenue	70,134,425	-	-	348,321,180	14,409,555	(24,949,252)	<b>407,915,908</b>
Cost of Sales	(20,414,882)	-	-	(202,374,647)	-	10,539,697	<b>(212,249,834)</b>
<b>Gross profit</b>	<b>49,719,543</b>	<b>-</b>	<b>-</b>	<b>145,946,533</b>	<b>14,409,555</b>	<b>(14,409,555)</b>	<b>195,666,074</b>
Other operating income	828,422	676	-	21,156	4,504,248	(37,312)	<b>5,317,189</b>
Impairment gain/(loss) on financial assets	(69,174)	-	-	(9,804,323)	(126,876)	1,075,162	<b>(8,925,210)</b>
Gain on the disposal of shares	-	-	-	-	10,907,442	-	<b>10,907,443</b>
Administrative expenses	(29,034,445)	(5,891,484)	(1,950)	(22,569,896)	(4,524,364)	8,097,240	<b>(53,924,900)</b>
Net foreign exchange gain	4,584,807	51	-	(238,156)	(970)	-	<b>4,345,734</b>
Finance cost	(4,011,065)	-	-	(12,202,908)	(8,888,414)	6,569,566	<b>(18,532,821)</b>
Finance income	594,546	-	-	7,348,594	2,205,821	(8,334,223)	<b>1,814,739</b>
<b>Profit/(loss) before taxation</b>	<b>22,612,634</b>	<b>(5,890,757)</b>	<b>(1,950)</b>	<b>108,501,001</b>	<b>18,486,442</b>	<b>(7,039,124)</b>	<b>136,668,246</b>
Taxation	(7,716,773)	-	-	(33,273,928)	(1,588,795)	-	<b>(42,579,494)</b>
<b>Profit/(loss) after taxation from continuing operations</b>	<b>14,895,861</b>	<b>(5,890,757)</b>	<b>(1,950)</b>	<b>75,227,073</b>	<b>16,897,647</b>	<b>(7,039,124)</b>	<b>94,088,751</b>
Loss from discontinued operations	-	-	-	-	-	-	-
<b>Profit/(loss) for the year</b>	<b>14,895,861</b>	<b>(5,890,757)</b>	<b>(1,950)</b>	<b>75,227,073</b>	<b>16,897,647</b>	<b>(7,039,124)</b>	<b>94,088,751</b>
<b>Total assets</b>	<b>140,696,212</b>	<b>18,237,599</b>	<b>16,753</b>	<b>571,621,906</b>	<b>141,965,681</b>	<b>(120,974,846)</b>	<b>751,563,305</b>
<b>Total liabilities</b>	<b>(60,177,063)</b>	<b>(26,205,167)</b>	<b>(21,895)</b>	<b>(414,240,708)</b>	<b>(66,530,854)</b>	<b>87,305,431</b>	<b>(479,870,256)</b>
<b>Net assets</b>	<b>80,519,149</b>	<b>(7,967,568)</b>	<b>(5,142)</b>	<b>157,381,198</b>	<b>75,434,827</b>	<b>(33,669,415)</b>	<b>271,693,049</b>



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

**Notes to the Consolidated and Separate Financial Statements**

**Accounting Policies**

**5 Segment analysis (cont'd)**

**Capital expenditure: Additions during the year- 2024**

	Hospitality N'000	Oil & Gas N'000	Agro- Allied N'000	Power N'000	Corporate Centre N'000	Inter-Segment Elimination N'000	Total N'000
Additions to plant, property & equipment and Intangible assets							
Property, plant and equipment	12,227,977	-	-	12,506,296	38,161		<b>24,772,434</b>
Other intangible assets	60,567	5,941,068		-	-		<b>6,001,635</b>
Depreciation and amortisation							
Depreciation	2,589,053	-	-	6,519,239	26,440		<b>9,134,732</b>
Amortisation	42,403	-	-	5,891	-		<b>48,294</b>
<b>As at 31 December 2023</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>
Revenue	41,455,877	-	-	155,533,755	16,025,628	(16,025,628)	<b>196,989,632</b>
Cost of Sales	(11,670,493)	-	-	(76,175,269)	-	-	<b>(87,845,762)</b>
Gross profit	<b>29,785,384</b>	-	-	<b>79,358,486</b>	<b>16,025,628</b>	<b>(16,025,628)</b>	<b>109,143,870</b>
Other operating income/(loss)	674,390	-	-	601,649	1,656,910	(46,508)	<b>2,886,441</b>
Impairment (loss)/gain on financial assets	21,862	-	-	(3,097,096)	(118,535)	559,096	<b>(2,634,673)</b>
Impairment loss on goodwill	(1,011,644)	-	-	-	-	-	<b>(1,011,644)</b>
Administrative expenses	(17,257,256)	(132,918)	-	(11,067,478)	(2,264,585)	3,779,326	<b>(26,942,911)</b>
Net foreign exchange gain	931,465	-	-	-	13,575	-	<b>945,040</b>
Finance cost	(3,904,012)	-	-	(17,379,654)	(6,897,856)	3,176,735	<b>(25,004,787)</b>
Finance income	241,864	-	-	3,009,908	1,277,061	(3,104,162)	<b>1,424,671</b>
Profit/(loss) before taxation	9,482,053	(132,918)	-	51,425,814	9,692,197	(11,661,141)	<b>58,806,005</b>
Taxation	(3,228,087)	-	-	(22,530,171)	(1,640,808)	1,229,309	<b>(26,169,757)</b>
<b>Profit/(loss) after taxation from continuing operations</b>	<b>6,253,966</b>	<b>(132,918)</b>	-	<b>28,895,643</b>	<b>8,051,389</b>	<b>(10,431,832)</b>	<b>32,636,248</b>
Loss from discontinued operations	(160,854)	-	-	-	-	-	<b>(160,854)</b>
<b>Profit/(loss) for the year</b>	<b>6,093,112</b>	<b>(132,918)</b>	-	<b>28,895,643</b>	<b>8,051,389</b>	<b>(10,431,832)</b>	<b>32,475,394</b>
<b>Total assets</b>	126,094,916	10,542,434	16,753	367,048,833	134,499,461	(108,278,678)	529,923,719
<b>Total liabilities</b>	(43,920,454)	(12,786,279)	(19,945)	(273,644,711)	(71,875,641)	59,621,011	(342,626,019)
<b>Net assets</b>	<b>82,174,462</b>	<b>(2,243,845)</b>	<b>(3,192)</b>	<b>93,404,122</b>	<b>62,623,820</b>	<b>(48,657,667)</b>	<b>187,297,700</b>



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

**Notes to the Consolidated and Separate Financial Statements**

**Accounting Policies**

**5 Segment analysis (cont'd)**

Revenue for the Corporate Centre in 2024 and 2023 relates to Management, Technical Services and dividend income from Transcorp Power Plc and Transcorp Hotels Plc to the Company.

Other operating income relates majorly to dividend earned on equity investments, Change in fair value of investment properties and rental income.

**Capital expenditure: Additions during the year 2023**

	<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>Inter-Segment Elimination N'000</b>	<b>Total N'000</b>
Additions to plant, property & equipment and Intangible assets							
Property, plant and equipment	4,035,200	-	-	11,890,113	9,434		15,934,747
Other intangible assets	35,300	1,086,933		-	-		1,122,233
Depreciation and amortisation							
Depreciation	2,455,432	-	-	5,979,211	20,536		8,455,179
Amortisation	35,776	-	-	5,891	-		41,667

#### Notes to the Consolidated and Separate Financial Statements

##### Accounting Policies

##### 5 Segment analysis (cont'd)

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>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Total revenue for reportable segments	432,865,160	213,015,260
Elimination of inter-segment revenue (i)	<u>(24,949,252)</u>	<u>(16,025,628)</u>
<b>External revenue</b>	<b><u>407,915,908</u></b>	<b><u>196,989,632</u></b>
<b>Profit or loss</b>		
Profit for reportable segments	143,707,370	70,467,146
Elimination of inter-segment profits (iii)	<u>(7,039,124)</u>	<u>(11,661,141)</u>
<b>Consolidated profit before taxation</b>	<b><u>136,668,246</u></b>	<b><u>58,806,005</u></b>
	<b>31 December</b>	<b>31 December</b>
<b>Assets</b>	<b>2024</b>	<b>2023</b>
Total assets of reportable segments	872,538,151	638,202,397
Consolidation eliminations (iv)	<u>(120,974,846)</u>	<u>(108,278,678)</u>
<b>Consolidated total assets</b>	<b><u>751,563,305</u></b>	<b><u>529,923,719</u></b>
<b>Liabilities</b>		
Total liabilities of reportable segments	567,175,687	402,247,030
Consolidation eliminations (v)	<u>(87,305,431)</u>	<u>(59,621,011)</u>
<b>Consolidated total liabilities</b>	<b><u>479,870,256</u></b>	<b><u>342,626,019</u></b>

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

- (i) Elimination of inter-segment revenue relates to dividend income from Transcorp Power Plc and Transcorp Hotels Plc to Transnational Corporation Plc and Management & technical service fees income from Transcorp Power Plc, Transcorp Hotels Plc and TransAfam Power Limited.
- (ii) Elimination of intra group revenue and cost of sales relates to sales booked on behalf of TransAfam Power Limited by Transcorp Power Plc.
- (iii) Elimination of inter-segment profits relates to dividend income, management and technical service fees, and finance cost/income between the segments and other income arising from transactions with non-controlling interests.

**Notes to the Consolidated and Separate Financial Statements**

**Accounting Policies**

**5 Segment analysis (cont'd)**

- (iv) Investments of Transnational Corporation Plc in its subsidiaries and investment of Transcorp Hotels Plc in Transcorp Hotels Port Harcourt Limited, Transcorp Hotels Ikoyi Limited and Aura by Transcorp Hotels Limited respectively account for the consolidation eliminations of total assets of reportable segments. Inter-segment receivables were also eliminated to arrive at the consolidated total assets.
- (v) Inter-segment payables, dividend payable to segments within the Group and management fees payable and interest payable to Transnational Corporation Plc from Transcorp Hotels Plc, Transcorp Power Plc and TransAfam Power Limited 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.

<b>Analysis of revenue by category:</b>	<b>31 December 2024 N'000</b>	<b>31 December 2023 N'000</b>
Rooms	45,597,829	26,702,271
Food and beverage	22,188,617	13,038,165
Shop rental	1,575,361	1,175,597
Other operating revenue	772,618	539,844
Capacity charge	95,012,181	50,763,293
Energy sent out	242,751,302	104,746,762
Ancillary services	18,000	23,700
<b>Total</b>	<b>407,915,908</b>	<b>196,989,632</b>

<b>Analysis of Cost of sales by category:</b>	<b>31 December 2024 N'000</b>	<b>31 December 2023 N'000</b>
Room	7,068,437	3,865,914
Food and beverages	12,675,995	7,553,043
Natural gas and fuel costs	170,014,783	54,866,113
Direct materials and related expenses	4,202,852	9,303,265
Employee costs	1,893,353	1,266,170
Depreciation and impairment	6,342,831	5,813,633
Repairs and maintenance	7,148,787	4,541,829
Insurance	1,178,559	546,471
Inventory Provision written back*	-	(928,842)
Other expenses	1,724,237	1,018,166
	<b>212,249,834</b>	<b>87,845,762</b>

\*Inventory write-down provision amounting to N929 million was written back in the prior year as provision no longer required.

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 5 Segment analysis (cont'd)

See segment breakdown of Revenue and cost of sales in note 9 and 10 respectively

The Group is domiciled in Nigeria. The total non-current assets of the Group are all located in Nigeria.

	31 December 2024 N'000	31 December 2023 N'000
Revenue generated from		
Local customers	353,235,355	171,644,164
International customers	54,680,553	25,345,468
	<u>407,915,908</u>	<u>196,989,632</u>

#### 6. Investment in subsidiaries including consolidated structured entities

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

<b>Company</b>					
Name of company	Principal activities	%	%	Carrying	Carrying
		holding	holding	amount	amount
		2024	2023	2024	2023
				N' 000	N' 000
Transcorp Hotels Plc	Hospitality services	76.16 %	76.16 %	25,470,755	25,470,755
Transcorp Power Plc	Power generation	50.99 %	51.57 %	26,670,798	26,970,456
Transcorp Energy Limited	Exploration of petroleum product	99.00 %	99.00 %	9,900	9,900
TransAfam Power Limited	Power generation	95.00 %	95.00 %	47,500	47,500
Transcorp Properties Limited	Building	100.00 %	100.00 %	10,000	10,000
Transcorp OPL 281 Nigeria Limited	Exploration, refining and marketing of petroleum products	100.00 %	100.00 %	500	500
Terago Commodities Limited	Growing of Agricultural product processing food and cash crops	95.00 %	95.00 %	9,500	9,500
Transcorp Refining Company Limited	Oil and gas exploration, refining and marketing General maritime	100.00 %	100.00 %	1,000	1,000
Transcorp Trading and Logistics Limited	Operation Communication	100.00 %	100.00 %	10,000	10,000
Transcorp Telecomms Limited	Operation Communication services	100.00 %	100.00 %	10,000	10,000
Aura by Transcorp Hotel Limited	Hospitality services	20.00 %	20.00 %	20	20
<b>Transcorp Hotel Plc's investments in subsidiaries include:</b>				-	-
Transcorp Hotels Port Harcourt Limited	Hospitality services	100.00 %	100.00 %	-	-
Transcorp Hotels Ikoyi Limited	Hospitality services	58.00 %	58.00 %	-	-
Aura by Transcorp Hotels Limited	Hospitality services	60.00 %	60.00 %	-	-
<b>TransAfam Power Limited's investments in subsidiaries include:</b>				-	-
Afam Power Plc	Power generation	100.00 %	100.00 %	-	-
Afam Three Fast Power Limited	Power generation	100.00 %	100.00 %	-	-
				<u>52,239,973</u>	<u>52,539,631</u>

#### 6.1 Movement in investment in subsidiaries

	2024 N' 000	2023 N' 000
As at 1 January	52,539,631	44,669,388
Additional investment during the year	-	7,870,243
Disposal of investment (note 6.2)	(299,658)	-
	<u>52,239,973</u>	<u>52,539,631</u>

## Notes to the Consolidated and Separate Financial Statements

### Accounting Policies

#### 6.2 Disposal of investment in subsidiaries during the year

Sequel to listing of Transcorp Power Plc shares, there was need for floating shares hence Transnational Corporation Plc sold part of its shares. The Company's shareholding percentage drop from 51.57% to 50.99%

#### For Cashflow purpose

	2024 N' 000	2023 N' 000
Additional investment during the year	-	7,870,243
Proceed from sales of shares during the year	11,328,528	-
Non cash items	-	(7,870,243)
	<u>11,328,528</u>	<u>-</u>

#### 6.3 Material partly-owned subsidiaries

Financial information of subsidiaries that have non-controlling interests is provided below.

#### Proportion of equity interest held by non-controlling interests:

Subsidiary	Country of incorporation	% Ownership interest held by non-controlling interest	
		2024	2023
Transcorp Hotels Plc	Nigeria	23.84 %	23.84 %
Transcorp Power Plc	Nigeria	49.01 %	48.43 %
TransAfam Power Limited	Nigeria	5.00 %	5.00 %

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power Limited	
	2024	2023	2024	2023	2024	2023
<b>Assets</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>
Non-current assets	122,107,539	108,253,996	87,691,019	70,054,961	132,635,128	129,277,109
Current assets	21,487,536	17,840,920	309,091,249	153,335,587	42,204,509	14,381,176
Non-current assets held for sale						
<b>Total assets</b>	<b>143,595,075</b>	<b>126,094,916</b>	<b>396,782,268</b>	<b>223,390,548</b>	<b>174,839,637</b>	<b>143,658,285</b>
<b>Liabilities</b>						
Non-current liabilities	41,581,153	26,987,372	40,347,503	38,951,636	53,910,000	10,525,000
Current liabilities	33,974,002	32,311,174	229,809,150	126,576,567	90,174,055	97,591,508
Total liabilities	75,555,155	59,298,546	270,156,653	165,528,203	144,084,055	108,116,508
Total net assets	68,039,920	66,796,370	126,625,615	57,862,345	30,755,582	35,541,777
Carrying amount of non-controlling interest	16,220,717	15,924,255	62,059,214	28,022,734	1,537,779	1,777,089

Transcorp Hotels Plc Group includes Transcorp Hotels Port-harcourt, Transcorp Hotels Ikoyi and Aura by Transcorp Hotels

Notes to the Consolidated and Separate Financial Statements

Accounting Policies

6.3 Material partly-owned subsidiaries (cont'd)

Summarised consolidated and separate statement of profit or loss and other comprehensive income

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power Limited	
	2024	2023	2024	2023	2024	2023
	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Revenue	70,134,425	41,455,877	305,943,634	142,122,364	42,377,546	13,411,391
Cost of sales	(20,414,882)	(11,670,493)	(163,733,739)	(66,700,227)	(38,640,909)	(9,475,042)
Other operating income	828,422	674,390	1,792,749	597,949	(2,009,748)	3,700
Impairment (loss)/gain on financial assets	(69,174)	21,862	(8,109,188)	(2,731,924)	(1,695,134)	(365,172)
Impairment loss on goodwill	-	(1,011,644)	-	-	-	-
Administrative expenses	(29,034,445)	(17,257,256)	(20,090,766)	(8,663,021)	(2,479,129)	(2,404,458)
Net foreign exchange gain	4,584,807	931,465	-	-	-	-
Finance income	594,546	241,864	7,342,864	3,009,908	5,730	-
Finance cost	(4,011,066)	(3,904,013)	(9,858,358)	(14,871,348)	(2,344,550)	(2,508,306)
<b>Profit before tax</b>	<b>22,612,634</b>	<b>9,482,053</b>	<b>113,287,195</b>	<b>52,763,701</b>	<b>(4,786,196)</b>	<b>(1,337,887)</b>
Tax expense	(7,716,773)	(3,228,087)	(33,273,928)	(22,530,171)	-	-
<b>Profit after tax from continuing operations</b>	<b>14,895,861</b>	<b>6,253,966</b>	<b>80,013,268</b>	<b>30,233,530</b>	<b>(4,786,196)</b>	<b>(1,337,887)</b>
Loss for the year from discontinued operations	-	(160,854)	-	-	-	-
<b>Profit for the year</b>	<b>14,895,861</b>	<b>6,093,112</b>	<b>80,013,268</b>	<b>30,233,530</b>	<b>(4,786,196)</b>	<b>(1,337,887)</b>

Summarised consolidated and separate statement of cash flows

	Transcorp Hotels Plc - Group		Transcorp Power Plc		TransAfam Power	
	2024	2023	2024	2023	2024	2023
Cash flows from operating activities	20,058,760	14,163,202	54,848,446	38,157,382	2,381,390	(1,282,913)
Cash flows from investing activities	(13,883,710)	(3,532,072)	(22,187,436)	(1,873,169)	(4,970,465)	(4,064,268)
Cash flows from financing activities	(10,272,308)	(7,576,985)	(31,250,708)	(32,617,273)	2,464,058	4,824,293
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>(4,097,258)</b>	<b>3,054,145</b>	<b>1,410,302</b>	<b>3,666,940</b>	<b>(125,018)</b>	<b>(522,888)</b>

**Notes to the Consolidated and Separate Financial Statements**

**7. Financial instruments risk management objectives and policies**

The Group's principal financial liabilities comprise of loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, investment in financial assets and cash and bank balances that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below."

**Classes and categories of financial instruments and their fair values**

**Categories of financial assets**

**Group - 2024  
Carrying Value**

	Note(s)	Fair value through other comprehensive income N'000	Amortised cost N'000	Total Carrying Amount N'000
Investment in financial assets	25	18,217,915	-	18,217,915
Trade and other receivables	29	-	322,499,519	322,499,519
Cash and cash equivalent	31	-	17,966,955	17,966,955
		<b>18,217,915</b>	<b>340,466,474</b>	<b>358,684,389</b>

**Group - 2023  
Carrying value**

	Note(s)	Fair value through other comprehensive income N'000	Amortised cost N'000	Total Carrying Amount N'000
Investment in financial assets	25	12,385,257	1,771,242	14,156,499
Trade and other receivables	29	-	146,398,317	146,398,317
Cash and cash equivalent	31	-	16,577,762	16,577,762
		<b>12,385,257</b>	<b>164,747,321</b>	<b>177,132,578</b>

**Notes to the Consolidated and Separate Financial Statements**

**7. Financial instruments risk management objectives and policies (cont'd)**

**Company -  
2024**

**Carrying value**

**Note(s)**

	<b>Note(s)</b>	<b>Fair value through other comprehensive income N'000</b>	<b>Amortised cost N'000</b>	<b>Total Carrying Amount N'000</b>
Investment in financial assets	25	16,428,215	-	16,428,215
Trade and other receivables	29	-	27,933,258	27,933,258
Cash and cash equivalent	31	-	927,838	927,838
		<b>16,428,215</b>	<b>28,861,096</b>	<b>45,289,311</b>

**Company - 2023**

	<b>Note(s)</b>	<b>Fair value through other comprehensive income N'000</b>	<b>Amortised cost N'000</b>	<b>Total Carrying Amount N'000</b>
Investment in financial assets	25	12,385,257	-	12,385,257
Trade and other receivables	29	-	58,215,724	58,215,724
Cash and cash equivalent	31	-	997,910	997,910
		<b>12,385,257</b>	<b>59,213,634</b>	<b>71,598,891</b>

**Notes to the Consolidated and Separate Financial Statements**

**7. Financial instruments risk management objectives and policies (cont'd)**

**Categories of financial liabilities**

**Group - 2024**

	Note(s)	Amortised cost N'000	Total Carrying Amount N'000
Trade and other payables	36	228,930,527	228,930,527
Borrowings	26	88,512,242	88,512,242
		<b>317,442,769</b>	<b>317,442,769</b>

**Group - 2023**

	Note(s)	Amortised cost N'000	Total Carrying Amount N'000
Trade and other payables	36	158,853,717	158,853,717
Borrowings	26	103,379,325	103,379,325
		<b>262,233,042</b>	<b>262,233,042</b>

**Company - 2024**

	Note(s)	Amortised cost N'000	Total Carrying Amount N'000
Trade and other payables	36	28,549,103	28,549,103
Borrowings	26	34,814,522	34,814,522
		<b>63,363,625</b>	<b>63,363,625</b>

**Company - 2023**

	Note(s)	Amortised cost N'000	Total Carrying Amount N'000
Trade and other payables	36	34,392,372	34,392,372
Borrowings	26	34,633,610	34,633,610
		<b>69,025,982</b>	<b>69,025,982</b>

#### Notes to the consolidated and separate financial statements

#### 7. Financial instruments risk management objectives and policies (cont'd)

##### Capital risk management

For the purpose of the Group's capital management, capital includes issued capital, share premium and retained earnings attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the finance covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 50% and 70%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and bank balances.

	Note(s)	Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Borrowings	26	88,512,242	103,379,325	34,814,522	34,633,610
<b>Total debt</b>		<b>88,512,242</b>	<b>103,379,325</b>	<b>34,814,522</b>	<b>34,633,610</b>
Cash and cash equivalent	31	(17,966,955)	(16,577,762)	(927,838)	(997,910)
<b>Net debt</b>		<b>70,545,287</b>	<b>86,801,563</b>	<b>33,886,684</b>	<b>33,635,700</b>
Equity		271,693,049	187,297,700	75,434,827	62,623,820
Capital and net debt		342,238,336	274,099,263	109,321,511	96,259,520
Gearing ratio		<b>21 %</b>	<b>32 %</b>	<b>31 %</b>	<b>35 %</b>

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 December, 2024 and 2023.

##### Financial risk management

##### Credit risk

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

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

## Notes to the consolidated and separate financial statements

### 7. Financial instruments risk management objectives and policies (cont'd)

#### Financial risk management (cont'd)

#### Credit risk (cont'd)

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

Group	Note(s)	2024			2023		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Trade and other receivables	29.4	341,063,444	(18,563,925)	322,499,519	155,297,165	(8,898,847)	146,398,318
Cash and cash equivalent	31	17,966,955	-	17,966,955	16,577,762	-	16,577,762
Company		2024			2023		
		Gross carrying amount	Credit loss allowance	Net carrying amount	Gross carrying amount	Credit loss allowance	Net carrying amount
		N'000	N'000	N'000	N'000	N'000	N'000
Due from related party	29.4	29,843,089	(1,909,831)	27,933,258	59,998,678	(1,782,954)	58,215,724
Cash and cash equivalent	31	927,838	-	927,838	997,910	-	997,910

#### Impairment of trade receivables

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

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 29. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. "

The Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

		Trade receivables - Group						
		Days past due						
Note		Current N' 000	<30 days N' 000	30-60 days N' 000	61-90 days N' 000	> 91 days N' 000	Total N' 000	
<b>31 December 2024</b>								
<b>Third party receivables</b>								
	<b>Expected credit loss rate</b>	0.72%	1.74%	4.86%	6.81%	13.08%		
	Estimated total gross carrying amount at default	29.5	1,212,428	115,085,946	38,007,527	66,624,465	77,761,644	298,692,010
	Expected credit loss	29.5	8,765	2,004,619	1,846,399	4,535,299	10,168,843	18,563,925
<b>31 December 2023</b>								
<b>Third party receivables</b>								
	<b>Expected credit loss rate</b>	0.45%	0.01%	0.05%	3.89%	15.08%		
	Estimated total gross carrying amount at default	29.5	697,696	39,433,173	12,587,045	27,880,848	51,731,873	132,330,635
	Expected credit loss	29.5	3,138	4,805	6,013	1,084,730	7,800,161	8,898,847

There is no trade receivables for the Company.

**Notes to the consolidated and separate financial statements**

**7. Financial instruments risk management objectives and policies (cont'd)**

**Reconciliation of Loss Allowances on Third Party Receivables**

	Group		Company	
	2024	2023	2024	2023
As at 1 January	8,898,847	7,012,329	1,782,954	1,664,419
Charge for the year	8,925,211	2,634,673	126,876	118,535
Write-off	739,867	(748,155)	-	
	<u>18,563,925</u>	<u>8,898,847</u>	<u>1,909,830</u>	<u>1,782,954</u>
As at 31 December				

**Related party receivables (Note 29.2)**

	Company	
	2024	2023
Expected credit loss rate	4.8%	2.0%
Estimated total gross carrying amount at default	<u>27,757,422</u>	<u>58,262,850</u>
<b>Expected credit loss</b>	<u>1,344,086</u>	<u>1,178,260</u>

**Credit Risk management**

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other finance institutions."

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions."

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits and loans and borrowings.

**Foreign currency risk**

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

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

**Notes to the consolidated and separate financial statements**

**7. Financial instruments risk management objectives and policies (cont'd)**

**Foreign currency risk (cont'd)**

Foreign Currency Balance (shown in foreign currency amount)	Group		Company	
	2024	2023	2024	2023
USD	4,034,049	4,866,815	6,049	33,578
GBP	9,000	9,290	-	-
Euro	36,458	21,663	-	-

**Foreign currency sensitivity analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in USD and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP and Euro exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

Group	2024	2024	2023	2023
	Increase	Decrease	Increase	Decrease
Effect on profit before tax:	N	N	N	N
Change in USD rate 5% (2023: 5%)	309,814,952	(309,814,952)	220,736,835	(220,736,835)
Change in GBP rate 5% (2023: 5%)	949,500	(949,500)	531,378	(531,378)
Change in Euro rate 5% (2023: 5%)	3,117,194	(3,117,194)	21,544,901	(21,544,901)
	<b>313,881,646</b>	<b>(313,881,646)</b>	<b>242,813,114</b>	<b>(242,813,114)</b>

Company	2024	2024	2023	2023
	Increase	Decrease	Increase	Decrease
Effect on profit before tax:				
Change in USD rate 5% (2023: 5%)	<b>464,552</b>	<b>(464,552)</b>	<b>1,522,955</b>	<b>(1,522,955)</b>

This is mainly attributable to the exposure outstanding on receivables and payables in the Group at the reporting date. The Group's sensitivity to foreign currency has increased during the current year mainly due to the additional loans and borrowing denominated in United States Dollar (USD). In Management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a finance instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates is being reduced since the Group's long-term debt obligations are fixed interest rates.

## **Notes to the consolidated and separate financial statements**

### **7. Financial instruments risk management objectives and policies (cont'd)**

#### **Equity price risk**

The Group's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments at fair value listed on the Nigeria Exchange Group (NGX) was N18,217,916,000 (31 December, 2023: N12,385,257,000). The changes in fair values of the equity investments held are strongly positively correlated with changes of the NGX market index. The Group has determined that an increase/(decrease) of 5% on the NGX market index could have an impact of approximately N910,895,800 (31 December, 2023: N707,824,000) increase/(decrease) on the income and equity attributable to the Group.

#### **7.1 Expected credit loss measurement - other financial assets**

The Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other finance assets including information about their impairment allowance are disclosed below respectively.

The Company considers a finance asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a finance asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A finance asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Notes to the consolidated and separate financial statements**

**7.1a Analysis of inputs to the ECL model under multiple economic scenarios**

An overview of the approach to estimating ECLs is set out in Note 3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of experts within its credit risk department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December, 2024 and 31 December, 2023.

The following tables outline the impact of multiple scenarios on the allowance:

31-Dec-24	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Upside (10%)	1,856,393	889,885	190,983	178,295
Base (82%)	15,222,419	7,297,055	1,566,061	1,462,022
Downturn (8%)	1,485,114	711,908	152,786	142,636
	<b>18,563,925</b>	<b>8,898,847</b>	<b>1,909,830</b>	<b>1,782,953</b>

**7.1b Trade and other receivable and ECL allowances**

	Group		Company	
	Dec 2024	Dec 2023	Dec 2024	Dec 2023
	N'000	N'000	N'000	N'000
Trade and other receivables	341,063,444	155,297,166	29,843,0895	9,998,678
ECL Allowance	(18,563,925)	(8,898,847)	(1,909,831)	(1,782,954)
<b>At 31 December</b>	<b>322,499,519</b>	<b>146,398,319</b>	<b>27,933,258</b>	<b>58,215,724</b>

**Excessive risk concentration**

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

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

**Notes to the consolidated and separate financial statements**

**7. Financial instruments risk management objectives and policies (cont'd)**

**Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market Management monitors, rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flows.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market management monitors, rolling forecasts of the Group's liquidity reserve and cash and bank balances on the basis of expected cash flows.

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

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

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Group	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 December, 2024	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	3,910,981	10,867,700	23,318,101	47,881,798	2,694,955	88,673,535
Trade and other payables	18,839,655	42,764,515	167,326,357	-	-	228,930,527
	<b>22,750,636</b>	<b>53,632,215</b>	<b>190,644,458</b>	<b>47,881,798</b>	<b>2,694,955</b>	<b>317,604,062</b>
Group	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 December, 2023	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	9,624,016	12,208,499	29,492,280	49,190,102	2,864,428	103,379,325
Trade and other payables	13,930,550	28,879,809	116,043,358	-	-	158,853,717
	<b>23,554,566</b>	<b>41,088,308</b>	<b>145,535,638</b>	<b>49,190,102</b>	<b>2,864,428</b>	<b>262,233,042</b>
Company	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended 31 December, 2024	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	-	-	26,341,878	8,632,250	-	34,974,128
Trade and other payables	-	-	28,549,103	-	-	28,549,103
	<b>-</b>	<b>-</b>	<b>54,890,981</b>	<b>8,632,250</b>	<b>-</b>	<b>63,523,231</b>
Company	On demand	Less than 3 months	3 to 12 months	1 to 5 years > 5 years Total	> 5 years	Total
Year ended 31 December, 2023	N' 000	N' 000	N' 000	N' 000	N' 000	N' 000
Interest-bearing loans and borrowings	-	-	25,922,020	8,711,590	-	34,633,610
Trade and other payables	-	-	34,392,372	-	-	34,392,372
	<b>-</b>	<b>-</b>	<b>60,314,392</b>	<b>8,711,590</b>	<b>-</b>	<b>69,025,982</b>

## Notes to the consolidated and separate financial statements

### 8 Fair value measurement

#### Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities."

Fair value measurement hierarchy for assets as at 31 December, 2024:

#### Fair value measurement

2024 Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2024	6,900,000	-	6,900,000	-
Listed equity investments (Note 25)	31 Dec,2024	18,217,915	18,217,915	-	-

There were no transfers between Level 1 and Level 2 in the year ended 31 December 2024.

2023 Group Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2023	4,600,000	-	4,600,000	-
Listed equity investments (Note 25)	31 Dec,2023	14,156,499	14,156,499	-	-

#### Fair value measurement

2024 Company Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2024	6,900,000	-	6,900,000	-
Listed equity investments (Note 25)	31 Dec,2024	16,428,215	16,428,215	-	-

There were no transfers between Level 1 and Level 2 in the year ended 31 December 2024.

2023 Company Asset measured at fair value:	Date of valuation	Total N'000	Quoted prices in active markets (Level 1) N'000	Significant observable inputs (Level 2) N'000	Significant unobservable inputs (Level 3) N'000
Investment Property (Note 22)	31 Dec,2023	4,600,000	-	4,600,000	-
Listed equity investments (Note 25)	31 Dec,2023	12,385,257	12,385,257.25	-	-

There were no transfers between Level 1 and Level 2 in year ended 31 December 2023.

## Notes to the consolidated and separate financial statements

### 8 Fair value measurement

#### Fair value hierarchy

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

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

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

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

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

#### Valuation processes applied by the Group

The following fair valuation methods and assumptions were used:

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

#### Notes to the consolidated and separate financial statements

#### 9. Revenue

##### Disaggregation of revenue from contracts with customers

The Group disaggregates revenue from customers as follows:

31-Dec-24	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	45,597,829	-	-	45,597,829
Food and beverages	22,188,617	-	-	22,188,617
Shop rental	1,575,361	-	-	1,575,361
Electric energy and capacity	-	337,763,483	-	337,763,483
Ancillary services	-	18,000	-	18,000
Other operating revenue	772,618	-	-	772,618
<b>Total revenue from contracts with customers</b>	<b>70,134,425</b>	<b>337,781,483</b>	<b>-</b>	<b>407,915,908</b>
<b>Other revenue</b>				
Dividend income from subsidiaries	-	-	6,516,660	6,516,660
Management fees from subsidiaries	-	-	7,892,895	7,892,895
<b>Total revenue</b>	<b>70,134,425</b>	<b>337,781,483</b>	<b>14,409,555</b>	<b>422,325,463</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	68,559,064	-	-	68,559,064
Services transferred over time	1,575,361	337,781,483	-	339,356,844
<b>Total revenue from contracts with customers</b>	<b>70,134,425</b>	<b>337,781,483</b>	<b>-</b>	<b>407,915,908</b>

The dividend for the corporate centre is made up of N5.7bn from Transcorp Power Plc and N0.78bn from Transcorp Hotel Plc. Management fees for the corporate centre is made of N6.3bn from Transcorp Power Plc, N1.19bn from Transcorp Hotel Plc and N350m from TransAfam Power Limited.

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note 5):

	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
<b>Revenue</b>				
External customer	70,134,425	337,781,483	-	407,915,908
Inter-segment	-	-	14,409,555	14,409,555
	<b>70,134,425</b>	<b>337,781,483</b>	<b>14,409,555</b>	<b>422,325,463</b>
Inter-segment adjustments and eliminations	-	-	(14,409,555)	(14,409,555)
<b>Total revenue</b>	<b>70,134,425</b>	<b>337,781,483</b>	<b>-</b>	<b>407,915,908</b>

#### Notes to the consolidated and separate financial statements

#### 9. Revenue (cont'd)

31-Dec-23	Hospitality	Power	Corporate Centre (Company)	Total
	N '000	N '000	N '000	N '000
Rooms	26,702,271	-	-	26,702,271
Food and beverages	13,038,165	-	-	13,038,165
Shop rental	1,175,597	-	-	1,175,597
Electric energy and capacity	-	155,510,055	-	155,510,055
Ancillary services	-	23,700.00	-	23,700
Other operating revenue	539,844	-	-	539,844
<b>Total revenue from contracts with customers</b>	<b>41,455,877</b>	<b>155,533,755</b>	<b>-</b>	<b>196,989,632</b>
<b>Other revenue</b>				
Dividend income from subsidiaries	-	-	12,293,063	12,293,063
Management fees from subsidiaries	-	-	3,732,565	3,732,565
<b>Total revenue</b>	<b>41,455,877</b>	<b>155,533,755</b>	<b>16,025,628</b>	<b>213,015,260</b>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	40,280,280	-	-	40,280,280
Services transferred over time	1,175,597	155,533,755	-	156,709,352
<b>Total revenue from contracts with customers</b>	<b>41,455,877</b>	<b>155,533,755</b>	<b>-</b>	<b>196,989,632</b>

The dividend for the corporate centre is made up of N10.8bn from Transcorp Power Plc and N1.4bn from Transcorp Hotel Plc. Management fees for the corporate centre is made up of N2.9bn from Transcorp Power Plc, N466mn from Transcorp Hotel Plc and N350mn from TransAfam Power Limited.

Set out below, is the reconciliation of the revenue with the amounts disclosed in the segment information (Note 5):

	Hospitality	Power	Corporate Centre (Company)	Total
Revenue	N '000	N '000	N '000	N '000
External customer	41,455,877	155,533,755	-	196,989,632
Inter-segment	-	-	16,025,628	16,025,628
	<b>41,455,877</b>	<b>155,533,755</b>	<b>16,025,628</b>	<b>213,015,260</b>
Inter-segment adjustments and eliminations	-	-	(16,025,628)	(16,025,628)
<b>Total revenue</b>	<b>41,455,877</b>	<b>155,533,755</b>	<b>-</b>	<b>196,989,632</b>

**Notes to the consolidated and separate financial statements**

**10. Cost of sales**

	Group		Company	
	2024 N '000	2023 N '000	2024 N '000	2023 N '000
Room	7,068,437	3,865,914	-	-
Food and beverages	12,675,995	7,553,043	-	-
Natural gas and fuel costs	170,014,783	54,866,113	-	-
Direct materials and related expenses	4,202,852	9,303,265	-	-
Employee costs	1,893,353	1,266,170	-	-
Depreciation and impairment	6,342,831	5,813,633	-	-
Repairs and maintenance	7,148,787	4,541,829	-	-
Insurance	1,178,559	546,471	-	-
Inventory Provision written back*	-	(928,842)	-	-
Other expenses	1,724,237	1,018,166	-	-
	<b>212,249,834</b>	<b>87,845,762</b>	-	-

\*Inventory write-down provision carried forward from prior years amounting to N929 million was written back in the year as provision no longer required.

31-Dec-24	Hospitality	Power	Corporate Centre (Company)	Total
Room	7,068,437	-	-	7,068,437
Food and beverages	12,675,995	-	-	12,675,995
Natural gas and fuel costs	-	170,014,783	-	170,014,783
Direct materials and related expenses	-	4,202,852	-	4,202,852
Employee costs	-	1,893,353	-	1,893,353
Depreciation and impairment	-	6,342,831	-	6,342,831
Repairs and maintenance	-	7,148,787	-	7,148,787
Insurance	-	1,178,559	-	1,178,559
Inventory Provision written back	-	-	-	-
Other expenses	670,450	1,053,787	-	1,724,237
	<b>20,414,882</b>	<b>191,834,952</b>	-	<b>212,249,834</b>

31-Dec-23	Hospitality	Power	Corporate Centre (Company)	Total
Room	3,865,914	-	-	3,865,914
Food and beverages	7,553,043	-	-	7,553,043
Natural gas and fuel costs	-	54,866,113	-	54,866,113
Direct materials and related expenses	-	9,303,265	-	9,303,265
Employee costs	-	1,266,170	-	1,266,170
Depreciation and impairment	-	5,813,633	-	5,813,633
Repairs and maintenance	-	4,541,829	-	4,541,829
Insurance	-	546,471	-	546,471
Inventory Provision written back	-	(928,842)	-	928,842
Other expenses	251,536	766,630	-	1,018,166
	<b>11,670,493</b>	<b>76,175,269</b>	-	<b>87,845,762</b>

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

### Notes to the consolidated and separate financial statements

#### 11 Other gains or losses

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Change in fair value of investment properties	2,300,000	860,000	2,300,000	860,000
Dividend income on equity securities	2,075,863	673,674	2,075,863	673,674
Rental income on investment property	38,500	27,000	38,500	27,000
Key money (Note 35.2)	152,825	152,825	-	-
Deferred income (Note 34)	449,304	447,996	-	-
Profit/(Loss) from disposal of assets	29,290	18,128	27	-
Interest on investment	-	586,055	-	-
Other income	271,407	120,763	89,858	96,236
	<u>5,317,189</u>	<u>2,886,441</u>	<u>4,504,248</u>	<u>1,656,910</u>
<b>11.1</b> Net foreign exchange gain/(loss)	<u>4,345,733</u>	<u>945,040</u>	<u>(970)</u>	<u>13,575</u>
<b>11.2</b> Gain disposal of investment	<u>10,907,442</u>	<u>-</u>	<u>10,907,442</u>	<u>-</u>

This represents the gain on disposal of shares in Transcorp Power Plc, sequel to listing of the shares to meet required floating shares.

The proceeds from the disposal of shares recognised during the year was reinvested in the acquisition of shares of other Nigerian companies.

#### 12. Finance income

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Financial instruments measured at amortised cost</b>				
<b>Interest income</b>				
Interest on debt instrument	-	164,972	-	-
Interest on loan	1,791,650	1,018,090	2,205,821	1,277,061
Interest on bank deposits	23,089	241,609	-	-
<b>Total finance income</b>	<u>1,814,739</u>	<u>1,424,671</u>	<u>2,205,821</u>	<u>1,277,061</u>
Non cash item-interest on debt instrument (Note 29.7)	-	(164,972)	(2,205,821)	(1,277,061)
Finance income for Cashflow	<u>1,814,739</u>	<u>1,259,699</u>	<u>-</u>	<u>-</u>

#### Notes to the consolidated and separate financial statements

#### 13. Finance cost

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Interest on loans and borrowings	18,740,429	16,663,538	6,083,687	5,732,187
Interest on intercompany balance	-	-	2,804,727	1,165,669
Other interest cost	128,310	-	-	-
Net foreign exchange losses on foreign currency borrowings	-	8,676,328	-	-
	<b>18,868,739</b>	<b>25,339,866</b>	<b>8,888,414</b>	<b>6,897,856</b>
Less: Capitalised borrowing cost	<b>(335,918)</b>	<b>(335,077)</b>	-	-
<b>Total finance costs</b>	<b>18,532,821</b>	<b>25,004,789</b>	<b>8,888,414</b>	<b>6,897,856</b>
Non cash item-interest on intercompany loan	-	-	(2,804,727)	(1,165,669)
Finance cost for Cashflow	<b>18,532,821</b>	<b>25,004,789</b>	<b>6,083,687</b>	<b>5,732,187</b>

#### 14. Employee costs

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Direct employee costs</b>				
Wages and salaries	1,770,585	1,234,927	-	-
Pension costs	122,768	31,243	-	-
	<b>1,893,353</b>	<b>1,266,170</b>	-	-
<b>Indirect employee costs</b>				
Wages and salaries	6,983,129	4,166,005	797,625	530,848
Pension costs	166,654	46,875	26,269	15,677
	<b>7,149,783</b>	<b>4,212,880</b>	<b>823,894</b>	<b>546,525</b>
<b>Total employee costs</b>				
Direct employee costs	1,893,353	1,266,170	-	-
Indirect employee costs	7,149,783	4,212,880	823,894	546,525
	<b>9,043,136</b>	<b>5,479,050</b>	<b>823,894</b>	<b>546,525</b>

#### Average number of persons employed during the year

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Managerial	53	58	8	6
Senior staff	482	503	4	8
Others	1,220	1,058	10	5
	<b>1,755</b>	<b>1,619</b>	<b>22</b>	<b>19</b>

**Notes to the consolidated and separate financial statements**

**14. Employee costs (cont'd)**

The table shows the numbers of employees (excluding directors) whose earnings during the year fell within the ranges shown below:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
N500,000 - N1,000,000	69	470	-	-
N1,000,000 - N2,000,000	66	167	0	1
N2,000,001 - N4,000,000	652	559	1	2
N4,000,001 - N5,000,000	83	230	-	-
N5,000,000 and above	885	193	21	16
	<b>1,755</b>	<b>1,619</b>	<b>22</b>	<b>19</b>

**Staff costs for the above persons (excluding Directors):**

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Salaries and wages	8,753,714	5,400,932	797,625	530,848
Pension cost	289,422	78,118	26,269	15,677
	<b>9,043,136</b>	<b>5,479,050</b>	<b>823,894</b>	<b>546,525</b>

**14.1 Compensation of Managers**

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Salaries and short-term employee benefits	1,750,743	1,080,186	159,526	106,171
Defined contributions	57,884	15,624	5,254	3,135
	<b>1,808,627</b>	<b>1,095,810</b>	<b>164,780</b>	<b>109,306</b>

Managers excludes Directors (Executive and Non-Executive). The compensation paid or payable to Managers for services is as shown above. The number of Managers of the Group (including the highest paid Manager) whose remuneration, excluding pension contributions, in respect of services to the Group is within the following range:

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Less than N10,000,000	14	24	-	-
Over N10,000,000	39	34	8	6
	<b>53</b>	<b>58</b>	<b>8</b>	<b>6</b>

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Notes to the consolidated and separate financial statements

#### 15. Administrative expenses

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Employee costs (Note 14)	7,149,783	4,212,880	823,894	546,525
Depreciation (Note 20)	2,791,687	2,641,546	26,441	20,536
Depreciation of Right of use Assets (Note 21)	56,759	56,759	56,759	56,759
Amortisation of Computer Software (Note 24)	42,403	35,776	-	-
Auditors remuneration	287,638	221,712	68,796	49,140
Marketing, sales and advertisement	1,654,444	861,332	68,335	15,948
Bank charges	1,172,920	682,957	39,691	23,021
Group services and benefits	1,531,570	904,961	-	-
Professional fees	975,192	702,697	345,750	193,837
Donations	23,037	15,847	7,102	7,677
Directors remuneration	947,950	849,413	418,757	366,265
Corporate social responsibility	2,539,181	1,239,403	-	38,000
Management fees*	7,323,664	4,040,064	510,509	411,252
Insurance	1,026,312	744,900	61,880	29,212
Telecommunications and IT expenses	434,154	384,079	30,673	-
Rents and rates	19,000	149,352	-	-
Energy cost	4,800,285	2,461,944	37,780	36,779
Repairs and maintenance	3,931,758	2,464,921	12,132	15,242
License and fees	319,850	157,570	104,081	31,706
Security	406,392	334,983	2,916	2,113
Travel, logistics and accommodation	1,249,621	721,297	234,350	114,673
Bad debt written off	1,355,810	-	-	-
Medical	162,875	282,419	-	-
Printing and Stationary	336,284	74,302	21,751	-
License renewal**	5,759,325	-	-	-
Office expenses	5,730,226	2,022,438	1,226,470	232,497
Other administrative expenses	1,896,779	679,360	426,297	73,403
<b>Total administrative expenses</b>	<b>53,924,899</b>	<b>26,942,911</b>	<b>4,524,364</b>	<b>2,264,585</b>

\*Management fees are majorly made up of Base Management Fees payable to Hilton International at 1.5% of Revenue, Incentive Fee based on an accelerated rate schedule applied on the Gross Operating Profit. These fees are specified in the Executed Management Agreement between Transcorp Hotels Plc and Hilton International for the provision of Hotel Management and Other Related Services to the Transcorp Hotels Plc.

\*\*This is license extension for OPL 281

## Notes to the consolidated and separate financial statements

### 16. Impairment loss on financial assets

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Trade receivables (Note 29.6)	8,925,211	2,634,673	126,876	118,535
Related party and other receivables (Note 7.1c)	-	-	-	-
Other write-off/(write-back)	-	-	-	-
	<b>8,925,211</b>	<b>2,634,673</b>	<b>126,876</b>	<b>118,535</b>

### 17. Income tax

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Current tax expense</b>				
Current income/minimum tax charge	32,866,769	16,347,908	728,618	345,820
Tertiary education tax charged	3,851,528	1,907,139	-	-
Police tax	6,588	3,565	924	486
Capital gain tax	1,128	925	-	-
Underprovision of tax	2,192,287	2,018,511	-	-
	<b>38,918,300</b>	<b>20,278,048</b>	<b>729,542</b>	<b>346,306</b>
Tax on franked investment income	859,253	65,196	859,253	1,294,502
<b>Deferred tax:</b>				
Origination and reversing temporary differences	2,801,942	5,826,513	-	-
<b>Tax expense in the statement of profit or loss</b>	<b>42,579,495</b>	<b>26,169,757</b>	<b>1,588,795</b>	<b>1,640,808</b>

#### Reconciliation of the tax expense

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Accounting profit before income tax	136,668,246	58,806,005	18,486,442	9,692,198
At Nigeria's statutory income tax rate of 30% (2023: 30%)	41,000,474	17,641,802	5,545,933	2,907,659
<b>Tax effect of adjustments on taxable income</b>				
Education tax 3% (2023:3%)	3,851,528	1,907,139	-	-
Police tax	6,588	3,565	924	485
Underprovision of tax	2,192,287	2,018,511	-	-
Deferred education tax	2,801,942	5,826,513	-	-
Capital gain tax	1,128	925	-	-
Effect of deferred tax not recognised	-	-	(3,496,574)	647,213
Excess dividend tax	5,312,791	4,929,993	728,618	345,820
Tax effect of Loss relief	(12,505,146)	(5,024,717)	-	-
Tax on franked investment income	859,253	65,196	859,253	1,294,502
Exempt dividend Income	(4,668,509)	(4,626,509)	(2,577,757)	(3,687,919)
Other non-deductible expenses	3,727,159	3,427,339	528,399	133,046
<b>Income tax expense reported in profit or loss</b>	<b>42,579,495</b>	<b>26,169,757</b>	<b>1,588,795</b>	<b>1,640,808</b>
Effective tax rate	31%	45%	9%	17%

#### 17.1 Current tax payable

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
As of 1 January	22,347,922	6,803,601	622,350	419,754
Income tax expense during the year	38,918,300	20,278,048	729,542	346,305
Payment during the year:	(4,343,950)	(4,733,727)	(346,308)	(143,710)
<b>As of 31 December</b>	<b>56,922,272</b>	<b>22,347,922</b>	<b>1,005,585</b>	<b>622,350</b>

**Notes to the consolidated and separate financial statements**

**18. Deferred tax**

Deferred tax relates to the following:

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Deferred tax liability	28,382,895	24,392,483	-	-
Deferred tax asset	(6,884,101)	(5,622,327)	-	-
<b>Total net deferred tax liability</b>	<b>21,498,794</b>	<b>18,770,156</b>	<b>-</b>	<b>-</b>

**18.1 Reconciliation of deferred tax liability**

	Group			
	Statement of financial position		Statement of profit or loss	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Accelerated depreciation for tax purposes	27,276,131	24,392,483	2,883,648	3,170,585
Unrealised FX gain/(losses)	1,106,764	(2,065,790)	3,172,554	(721,558)
Expected credit losses of debt financial assets	(6,792,155)	(3,537,895)	(3,254,260)	(1,342,836)
Losses available for offsetting against future taxable income	-	-	-	4,720,321
Tax on Actuarial gain in OCI	(91,946)	(18,642)	(73,304)	(18,642)
	<b>21,498,794</b>	<b>18,770,156</b>	<b>2,728,638</b>	<b>5,807,870</b>

**18.2 Disclosure in SOFP**

	N'000	N'000	N'000	N'000
Deferred tax liability	28,382,895	24,392,483	-	-
Deferred tax asset	(6,884,101)	(5,622,327)	-	-
Total net deferred tax liability	21,498,794	18,770,156	-	-

**Deferred tax recognition - Group**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Deferred tax recognition - Company**

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The Company has not recognised deferred tax assets in respect of deductible temporary differences as it is not probable that taxable profits will be available in future for utilisation. The tax rate applicable to this deductible temporary differences is 30% based on the relevant tax laws. Accordingly, deductible temporary difference balances, including unutilised tax losses for which deferred taxes were not recognised totaled N4.2 billion and N20.1 billion as at 31 December, 2024 and 2023 respectively while deferred tax assets of N2.3billion and N6.3 billion were not recognised for the year ended 31 December, 2024 and 2023 respectively.

**Notes to the Consolidated and Separate Financial Statements**

**19. Earnings per share (EPS)**

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

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

	Group		Company	
	2024	2023	2024	2023
Profit attributable to ordinary equity holders of the parent for basic earnings (N'000)	51,524,914	16,377,832	16,897,647	8,051,390
Average number of ordinary shares for basic EPS (thousands)	35,566,991	40,647,990	35,566,991	40,647,990
Basic Earnings per share (Kobo)	<b>145</b>	<b>40</b>	<b>48</b>	<b>20</b>
Basic Earnings per share (Kobo)	<b>145</b>	<b>40</b>	<b>48</b>	<b>20</b>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

## 20. Property, plant and equipment

### Reconciliation of property, plant and equipment - Group

	Land	Buildings	Plant and machinery	Computer and office equipments	Motor vehicles	Capital work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cost</b>							
At 1 January, 2023	42,408,448	55,442,319	190,152,190	20,269,715	889,713	26,162,237	335,324,622
Additions	268,540	12,360	604,667	1,403,596	181,137	13,464,447	15,934,747
Interest capitalised	-	-	-	-	-	335,077	335,077
Reclassification	2,453	75,926	14,051,927	323	-	(14,123,072)	-
Transfer to assets held for sale	(485,888)	(1,292,687)	(749,213)	(584,045)	(15,089)	(3,367)	(3,130,289)
Disposals	-	(19,085)	(1,022,050)	(1,820,971)	(170,140)	-	(3,032,246)
<b>At 31 December, 2023</b>	<b>42,193,553</b>	<b>54,218,834</b>	<b>203,037,521</b>	<b>19,268,619</b>	<b>885,621</b>	<b>25,835,322</b>	<b>345,431,911</b>
Additions	-	390,425	2,677,171	1,940,851	144,050	19,619,937	24,772,434
Interest capitalised	-	-	-	-	-	335,918	335,918
Reclassification	-	-	4,659,545	(248)	-	(4,659,297)	-
Disposals	-	-	(74,240)	(21,434)	(16,120)	(451)	(112,245)
<b>At 31 December, 2024</b>	<b>42,193,553</b>	<b>54,609,260</b>	<b>210,299,997</b>	<b>21,187,789</b>	<b>1,013,551</b>	<b>41,131,429</b>	<b>370,428,018</b>
<b>Depreciation</b>							
At 1 January, 2023	-	7,363,109	31,450,514	7,397,885	670,759	-	46,882,267
Depreciation for the year	-	1,143,829	5,923,465	1,273,116	114,769	-	8,455,179
Transfer to assets held for sale	-	(429,064)	(554,745)	(400,344)	(14,120)	-	(1,398,273)
Disposals	-	(20,822)	(1,021,901)	(1,814,605)	(170,141)	-	(3,027,469)
<b>At 31 December, 2023</b>	<b>-</b>	<b>8,057,052</b>	<b>35,797,333</b>	<b>6,456,052</b>	<b>601,267</b>	<b>-</b>	<b>50,911,703</b>
Depreciation for the year	-	1,147,006	6,482,799	1,389,479	115,448	-	9,134,732
Transfer to assets held for sale	-	-	-	-	-	-	-
Disposals	-	-	(74,240)	(19,476)	(16,097)	-	(109,813)
<b>At 31 December, 2024</b>	<b>-</b>	<b>9,204,058</b>	<b>42,205,892</b>	<b>7,826,055</b>	<b>700,618</b>	<b>-</b>	<b>59,936,622</b>
<b>Carrying amount</b>							
<b>At 31 December, 2024</b>	<b>42,193,553</b>	<b>45,405,202</b>	<b>168,094,105</b>	<b>13,361,734</b>	<b>312,933</b>	<b>41,131,429</b>	<b>310,491,396</b>
<b>At 31 December, 2023</b>	<b>42,193,553</b>	<b>46,161,782</b>	<b>167,240,188</b>	<b>12,812,567</b>	<b>284,354</b>	<b>25,835,322</b>	<b>294,520,208</b>

Interest capitalised relates to interest on loan taking by Transcorp Hotel Plc for the completion of the event centre.

## Notes to the Consolidated and Separate Financial Statements

### 20. Property, plant and equipment (cont'd)

#### Reconciliation of property, plant and equipment - Company

	Buildings N'000	Plant and machinery N'000	Computer and office equipment N'000	Motor vehicles N'000	Capital work in progress N'000	Total N'000
<b>Cost</b>						
At 1 January, 2023	37,842	22,716	112,133	7,528	6,570	186,789
Additions	145	-	9,289	-	-	9,434
Reclassification	5,345	-	323	-	(5,668)	-
<b>At 31 December, 2023</b>	<b>43,332</b>	<b>22,716</b>	<b>121,745</b>	<b>7,528</b>	<b>902</b>	<b>196,223</b>
Additions	411	1,423	36,327	-	-	38,161
Reclassification	-	-	451	-	(451)	-
Disposals	-	-	-	(230)	(451)	(681)
<b>At 31 December, 2024</b>	<b>43,743</b>	<b>24,139</b>	<b>158,523</b>	<b>7,298</b>	<b>-</b>	<b>233,703</b>
<b>Depreciation</b>						
At 1 January, 2023	31,230	6,469	72,737	6,896	-	117,332
Depreciation for the year	3,590	2,166	14,172	608	-	20,536
<b>At 31 December, 2023</b>	<b>34,820</b>	<b>8,635</b>	<b>86,909</b>	<b>7,504</b>	<b>-</b>	<b>137,868</b>
Depreciation for the year	3,686	2,249	20,505	-	-	26,440
Disposal	-	-	-	(207)	-	(207)
<b>At 31 December, 2024</b>	<b>38,506</b>	<b>10,884</b>	<b>107,414</b>	<b>7,298</b>	<b>-</b>	<b>164,101</b>
<b>Carrying amount</b>						
<b>At 31 December, 2024</b>	<b>5,236</b>	<b>13,255</b>	<b>51,109</b>	<b>-</b>	<b>-</b>	<b>69,602</b>
<b>At 31 December, 2023</b>	<b>8,511</b>	<b>14,081</b>	<b>34,836</b>	<b>24</b>	<b>902</b>	<b>58,355</b>

#### Impairment and reversal of impairment

No impairment loss nor reversal was recognised in the current year (2023: Nil).

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Depreciation is allocated as follows:</b>				
Cost of sales	6,342,831	5,813,633	-	-
Administrative expenses*	2,791,687	2,641,546	26,441	20,536
	<b>9,134,518</b>	<b>8,455,179</b>	<b>26,441</b>	<b>20,536</b>

The Group and Company have no future cash outflows relating to leases that have not yet commenced.

During the year, impairment indication was observed on Transcorp Power Plc's Turbines, included in the Group's plant and machinery assets. They were assessed and tested for impairment and none of them was impaired.

In arriving at the conclusion that none of the Turbines was impaired, the company engaged the services of a professional valuer, Jide Taiwo & Co (FRC No. FRC/2012/0000000254), to determine the fair value assets. The partner in charge of the valuation was Umoru Yakubu Ayiegbeni with FRC No. FRC/2014/NIESV/00000008842. Based on the valuation, the fair value of the Turbines as at 31 December 2024 was N65,635,333,952; while the carrying value as the same date was N41,718,110,907

In determining the fair value, the valuer considered the following:

- a short time period for the consummation of a sales.
- the assets are subjected to market conditions prevailing as of the date of valuation or assumed timescale within which the transaction is to be completed.
- both the buyer and the seller are acting prudently and knowledgeably.
- the seller is under compulsion to sell.
- the buyer is typically motivated.
- both parties are acting in what they consider their best interests.

**Notes to the consolidated and separate financial statements**

**21. Right of Use Assets (Group as Lessee)**

	Group Buildings N '000	Company Buildings N '000
<b>Cost</b>		
At 1 January, 2023	462,151	462,151
Addition	-	-
<b>At 31 December, 2023</b>	<b>462,151</b>	<b>462,151</b>
Addition	-	-
<b>At 31 December, 2024</b>	<b>462,151</b>	<b>462,151</b>
<b>Depreciation</b>		
At 1 January, 2023	230,386	230,386
Depreciation	56,759	56,759
<b>At 31 December, 2023</b>	<b>287,145</b>	<b>287,145</b>
Depreciation	56,759	56,759
<b>At 31 December, 2024</b>	<b>343,904</b>	<b>343,904</b>
<b>Carrying amount</b>		
<b>At 31 December, 2024</b>	<b>118,247</b>	<b>118,247</b>
<b>At 31 December, 2023</b>	<b>175,006</b>	<b>175,006</b>

The Company entered into a lease arrangement for its office. The lease is for a five year period.

**22. Investment properties**

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
At 1 January	4,600,000	3,740,000	4,600,000	3,740,000
Net gain from fair value remeasurement	2,300,000	860,000	2,300,000	860,000
<b>At 31 December</b>	<b>6,900,000</b>	<b>4,600,000</b>	<b>6,900,000</b>	<b>4,600,000</b>

Investment properties relates to the 4,876.151 square metres of fenced expanse of land at No.2, Rumens Road, off Alfred Rewane Road, Ikoyi Lagos State.

**Notes to the consolidated and separate financial statements**

**22. Investment properties (cont'd)**

As at 31 December, 2024, the fair values of the properties are based on valuations performed by Mr Ubosi Chukwudi Stephen -FRC/2013/PRO/NIESV/004/0000001493 of Ubosi Eleh & Co. Estate Surveyors & Valuers (FRC/2014/NIESV/0000003997) an accredited independent valuer. and specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

Rental income derived from investment properties during the year amounts to N38.5 million (2023: N27 million).

**Reconciliation of investment property - Group and Company**

	<b>Investment property N'000</b>
<b>Cost</b>	<b>N '000</b>
At 1 January, 2023	3,740,000
Fair value remeasurement	<u>860,000</u>
<b>At 31 December, 2023</b>	<b>4,600,000</b>
Fair value remeasurement gain	<u>2,300,000</u>
<b>At 31 December, 2024</b>	<b><u>6,900,000</u></b>

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

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2024	2023
Land - market comparison method (refer below)	Estimated rental value per sqm per meter	<u>52,500</u>	<u>42,000</u>
	Rent growth p.a.	<u>25%</u>	<u>20%</u>
	Average land value per square meter	<u>1,400,000</u>	<u>925,000</u>

**Sensitivity Analysis**

The following tables demonstrate the sensitivity to key variables in the calculation of the Investment Property value.

	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
	5%	5%	5%	5%
Rental Value per sqm	<u>55,125</u>	<u>49,875</u>	<u>44,100</u>	<u>39,900</u>
Investment Property Value	<u><b>7,245,000</b></u>	<u><b>6,555,000</b></u>	<u><b>4,830,000</b></u>	<u><b>4,370,000</b></u>
	<b>2024</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
	<b>Increase</b>	<b>Decrease</b>	<b>Increase</b>	<b>Decrease</b>
	5%	5%	5%	5%
Average Land value per sqm	<u>1,470,000</u>	<u>1,330,000</u>	<u>971,250</u>	<u>878,750</u>
Investment Property Value	<u><b>7,245,000</b></u>	<u><b>6,555,000</b></u>	<u><b>4,830,000</b></u>	<u><b>4,370,000</b></u>

**Notes to the consolidated and separate financial statements**

**22. Investment properties (cont'd)**

**Sensitivity Analysis (cont'd)**

The comparison method of valuation was used to arrive at the fair value of the land. This method involved analysis of similar properties that have recently been transacted upon in the open market within the locality and adjusting appropriately in arriving at the value.

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

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

**23. Goodwill**

**Reconciliation of goodwill - Group**

	<b>Goodwill N'000</b>
<b>Cost</b>	
At 1 January, 2023	30,934,143
Transfer of the fair value of Goodwill to assets classified as held for sale	<u>(963,112)</u>
<b>At 31 December, 2023</b>	<b>29,971,031</b>
Transfer of the fair value of Goodwill to assets classified as held for sale	<u>-</u>
<b>At 31 December, 2024</b>	<b>29,971,031</b>
<b>Accumulated impairment losses</b>	
At 1 January, 2023	-
Impairment losses for the year	<u>(1,011,644)</u>
<b>At 31 December, 2023</b>	<b>(1,011,644)</b>
Impairment losses for the year	<u>-</u>
<b>At 31 December, 2024</b>	<b>(1,011,644)</b>
<b>Carrying amount</b>	
<b>At 31 December, 2024</b>	<b>28,959,387</b>
<b>At 31 December, 2023</b>	<b>28,959,387</b>

In the prior year one of the CGU (Transcorp Hotel Calabar) was transferred to "Held for Sales" when the Directors approved the sale of the business. Based on the assessment done, using the agreed acquisition price, the Goodwill was impaired and transfer to Held for Sales together with the otehr assets and liabilities in the prior year

**Notes to the consolidated and separate financial statements**

**23. Goodwill (cont'd)**

Goodwill has been allocated to the following Cash Generating Units (CGUs):

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Carrying amount of goodwill</b>				
Transcorp Power Plc (TPP)	9,701,190	9,701,190	-	-
Transcorp Hotels Plc (THP)	19,258,197	19,258,197	-	-
<b>Total carrying amount of goodwill</b>	<b>28,959,387</b>	<b>28,959,387</b>	-	-

In assessing goodwill for impairment at 31 December, 2024, the Group compared the recoverable amount of the net assets of the CGU to its respective carrying amounts. Based on the results of the impairment evaluation described below, the recorded goodwill was not impaired for Transcorp Power Plc as the recoverable amount of the subsidiary exceeded the carrying value.

**Transcorp Power Plc CGU**

The recoverable amount of Transcorp Power Plc CGU, N512.54bn as at 31 December 2024, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for products and services. The pre-tax discount rate applied to cash flow projections is 28.42% (2023: 25%) and cash flows beyond the five-year period are extrapolated using a 2% growth rate (2023: 5%) that is the same as the long-term average growth rate for the power industry. It was concluded that the recoverable amount exceeded the carrying amount N156.25bn. As a result of this analysis, no impairment charge has been recognised by management.

**Transcorp Hotels Plc CGU**

In 2024 the goodwill impairment method changed from fair valuation to value in use.

The recoverable amount of Transcorp Hotel Plc CGU, N3.3bn as at 31 December 2024, has been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The projected cash flows have been updated to reflect the increased demand for products and services. The pre-tax discount rate applied to cash flow projections is 28.16% and cash flows beyond the five-year period are extrapolated using a 2.51% growth rate that is the same as the long-term average growth rate for the hospitality industry. It was concluded that the recoverable amount exceeded the carrying amount N75.36bn. As a result of this analysis, no impairment charge has been recognised by management.

In prior year, in assessing goodwill for impairment, the Group compared the recoverable amount of the net assets of the Cash Generating Unit (CGU) to its respective carrying amounts. Recoverable amount has been determined based on the fair value of Net Assets less costs of disposal.

The fair value (Goodwill less impairment loss) of the Goodwill acquired through the business combination of Transcorp Hotels Calabar Limited has been transferred to assets classified as held for sale.

## Notes to the consolidated and separate financial statements

### 23. Goodwill (cont'd)

#### Basis of valuation

The fair value of the assets of Transcorp Hotels Plc has been determined based on the market value. This is the price which an asset may be reasonably expected to be realised in a sale in a private contract assuming:

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

#### Method of valuation

As at 31 December 2023, the fair values of the Property, Plant and Equipment (PPE) of Transcorp Hotel Plc has been determined by Mr Ubosi Chukwudi Stephen - FRC/2013/PRO/NIESV/004/00000001493 while the fair value of the other assets and liabilities have been determined based on the carrying amounts, which are same as the fair values by Ubosi Eleh & Co. Estate Surveyors & Valuers (FRC/2014/NIESV/0000003997) an accredited independent valuer, values.

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

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

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

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and average land value per square meter.

The recoverable amount N81.6bn exceeded the carrying amount N65.5 bn.

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

### Notes to the consolidated and separate financial statements

#### 23. Goodwill (cont'd)

##### Goodwill and intangible assets with indefinite useful lives

##### Analysis of values

	Transcorp Hotels Plc	
	2024 N'000	2023 N'000
<b>The fair value has been determined as follows:</b>		
<b>Market value</b>		
Land and buildings	-	145,425,549
Items of plant and machinery	-	6,073,253
Items of office/computer equipment	-	608,493
Motor vehicles	-	226,050
Items of furniture and fittings	-	1,456,388
Intangible Assets	-	139,601
Other Receivables	-	300,075
Current Assets	-	17,840,920
Total market value	-	<b>172,070,329</b>
Fair value of liabilities	-	(59,298,546)
<b>Net Fair Value</b>	-	<b>112,771,783</b>
% Holding by TNC in THP – 76.16% (2022:76.16%)	-	<b>85,886,990</b>
Less: Costs of disposal at 5%	-	(4,294,349)
Fair value of net assets less cost of disposal	-	81,592,640
<b>Recoverable amount attributable to TNC</b>	-	<b>81,592,640</b>
<b>Carrying Value:</b>		
Net asset as at 31 December	-	66,796,369
Goodwill as at 31 December	-	19,258,197
	-	<b>86,054,566</b>
% Holding by TNC in THP – 76.16% (2023:76.16%)	-	<b>65,539,157</b>

The Board has estimated the costs of disposal to be 5% (2023:5%) of the fair value of the assets of the subsidiary.

Below is a sensitivity analysis to compare the recoverable value when the cost of disposal is 2% above or below the 5% used in the computation above.

Transcorp Hotels Plc	2024	2024	2023	2023
	N'000	N'000	N'000	N'000
	Increase	Decrease	Increase	Decrease
Net Fair Value of Assets	-	-	85,886,990	85,886,990
Cost of Disposal	-	-	(6,012,089)	(2,576,610)
<b>Recoverable Amount</b>	-	-	<b>79,874,901</b>	<b>83,310,380</b>

**Notes to the consolidated and separate financial statements**

**24. Intangible assets**

Intangible assets - Group	Computer software	Licence Cost	Exploration & evaluation expenditure	Total
Cost	N'000	N'000	N'000	N'000
At 1 January, 2023	427,894	5,134,730	5,099,928	10,662,552
Additions	35,300	-	1,086,933	1,122,233
Disposal	(22,616)	-	-	(22,616)
Transfer to asset held for sale*	(11,554)	-	-	(11,554)
<b>At 31 December, 2023</b>	<b>429,024</b>	<b>5,134,730</b>	<b>6,186,861</b>	<b>11,750,615</b>
Additions	60,567	-	5,941,068	6,001,635
Disposal	-	-	-	-
Transfer to asset held for sale	-	-	-	-
<b>At 31 December, 2024</b>	<b>489,591</b>	<b>5,134,730</b>	<b>12,127,929</b>	<b>17,752,250</b>
<b>Amortisation and impairment</b>				
At 1 January, 2023	(269,038)	(9,328)	-	(278,366)
Amortisation	(35,776)	(5,891)	-	(41,667)
Disposal	4,646	-	-	4,646
Transfer to asset held for sale*	10,745	-	-	10,745
<b>At 31 December, 2023</b>	<b>(289,423)</b>	<b>(15,219)</b>	<b>-</b>	<b>(304,642)</b>
Amortisation	(42,403)	(5,891)	-	(48,294)
Disposal	-	-	-	-
Transfer to asset held for sale	-	-	-	-
<b>At 31 December, 2024</b>	<b>(331,826)</b>	<b>(21,110)</b>	<b>-</b>	<b>(352,936)</b>
<b>Carrying amount</b>				
<b>At 31 December, 2023</b>	<b>139,601</b>	<b>5,119,511</b>	<b>6,186,861</b>	<b>11,445,973</b>
<b>At 31 December, 2024</b>	<b>157,765</b>	<b>5,113,620</b>	<b>12,127,929</b>	<b>17,399,314</b>

\*See note 27 on the transfer of Transcorp Hotels Calabar Limited assets and liabilities to Held for Sale in the prior year.

**Notes to the consolidated and separate financial statements**

**24. Intangible assets (cont'd)**

**Intangible assets - Company**

	<b>Computer software</b>	<b>Oil prospecting license (OPL)</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Cost</b>			
At 1 January, 2023	12,966	5,075,818	5,088,784
Additions	-	-	-
<b>At 31 December, 2023</b>	<b>12,966</b>	<b>5,075,818</b>	<b>5,088,784</b>
Additions	-	-	-
<b>At 31 December, 2024</b>	<b>12,966</b>	<b>5,075,818</b>	<b>5,088,784</b>
<b>Amortisation</b>			
At 1 January, 2023	(12,966)	-	(12,966)
Amortisation	-	-	-
<b>At 31 December, 2023</b>	<b>(12,966)</b>	<b>-</b>	<b>(12,966)</b>
Amortisation	-	-	-
<b>At 31 December, 2024</b>	<b>(12,966)</b>	<b>-</b>	<b>(12,966)</b>
<b>Carrying amount</b>			
<b>At 31 December, 2023</b>	<b>-</b>	<b>5,075,818</b>	<b>5,075,818</b>
<b>At 31 December, 2024</b>	<b>-</b>	<b>5,075,818</b>	<b>5,075,818</b>

**Other information**

The Production Sharing Contract between Transcorp and the Nigerian National Petroleum Corporation was signed by the Federal Government of Nigeria on 2 May 2014. In 2023, Transcorp has received approval for the license extension for another two years. The Company is currently processing the applicable extension fees

All expenditure related to the exploration and evaluation activities were capitalised during the year. Mining is projected to commence December 2025.

**Notes to the consolidated and separate financial statements**

**25. Investment in financial assets**

**Equity investments at fair value through other comprehensive income**

Investments, excluding debt instruments, held by the Group which measured at fair value through other comprehensive income are as follows:

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
At 1 January	12,385,257	3,672,305	12,385,257	3,672,305
Additions during the year (Note 25.1)	1,789,700	-	-	-
Movement in other comprehensive income for current period	4,042,958	8,712,952	4,042,958	8,712,952
	<b>18,217,915</b>	<b>12,385,257</b>	<b>16,428,215</b>	<b>12,385,257</b>
<b>Financial assets at amortised cost - debt instrument</b>				
Opening balance	1,771,242	1,606,270	-	-
Disposal	(1,771,242)	-	-	-
Interest earned on debt instrument (Note 12)	-	164,972	-	-
	<b>-</b>	<b>1,771,242</b>	<b>-</b>	<b>-</b>
<b>Total investment in financial assets</b>	<b>18,217,915</b>	<b>14,156,499</b>	<b>16,428,215</b>	<b>12,385,257</b>
<b>Split between non-current and current portions</b>				
Non-current assets	<b>18,217,915</b>	<b>14,156,499</b>	<b>16,428,215</b>	<b>12,385,257</b>

25.1 This represents additional investment in quoted equity made during the year.

**Notes to the consolidated and separate financial statements**

**25. Investment in financial assets (cont'd)**

**Investments held at reporting date – Group**

	<b>Statement of Financial Position</b>		<b>Statement of Profit or Loss and Other Comprehensive income</b>	
	<b>Fair value</b>	<b>Fair value</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 January	14,156,499	3,672,305	-	-
Additions	1,789,700	-	-	-
Fair value gain/(loss) on investment in equity instruments	4,042,958	8,712,952	4,042,958	8,712,952
Dividend received on equity instrument	-	-	2,075,863	673,674
Interest earned on debt instrument	-	1,771,242	-	164,972
Debt instrument redeemed during the year	(1,771,242)	-	-	-
<b>Statement of Financial Position</b>	<b>18,217,916</b>	<b>14,156,499</b>		
<b>Statement of Profit or Loss and Other Comprehensive income</b>			<b>6,118,824</b>	<b>9,551,597</b>

<b>Investments held at reporting date - Company</b>	<b>Statement of Financial Position</b>		<b>Statement of Profit or Loss and Other Comprehensive income</b>	
	<b>Fair value</b>	<b>Fair value</b>	<b>Fair value</b>	<b>Fair value</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening balance	12,385,257	3,672,305	-	-
Fair value gain/(loss) on investment in equity instruments	4,042,958	8,712,952	4,042,958	8,712,952
Dividend received on equity instrument	-	-	2,075,863	673,674
<b>Statement of Financial Position</b>	<b>16,428,215</b>	<b>12,385,257</b>		
<b>Statement of Profit or Loss and Other Comprehensive income</b>			<b>6,118,820</b>	<b>9,386,626</b>

Financial assets at fair value through OCI include investments in listed equity shares. Fair values of these equity shares are determined by reference to published price quotations in an active market.

#### Notes to the consolidated and separate financial statements

#### 26. Borrowings

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Held at amortised cost</b>				
Term loan	84,601,261	98,314,967	32,483,969	32,340,881
Bank overdraft	3,910,981	4,041,655	2,330,553	2,292,729
\$215 million acquisition loan	-	1,022,703	-	-
	<b>88,512,242</b>	<b>103,379,325</b>	<b>34,814,522</b>	<b>34,633,610</b>

#### Financial liabilities: Interest-bearing loans and borrowings

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
N17 billion consolidated term loan	10,685,754	22,869,932	10,680,151	12,091,193
Other term loans	23,782,728	22,298,409	21,803,817	20,249,688
N12.75 billion loan	9,277,266	11,231,040	-	-
N10 billion loan	3,248,434	5,626,016	-	-
Bank Overdraft	3,910,981	4,041,655	2,330,553	2,292,729
Term loan	37,607,079	36,289,570	-	-
\$215 million acquisition loan	-	1,022,703	-	-
<b>Total interest-bearing loans and borrowing</b>	<b>88,512,242</b>	<b>103,379,325</b>	<b>34,814,521</b>	<b>34,633,610</b>
<b>Total current interest-bearing loans and borrowings</b>	<b>38,096,782</b>	<b>51,324,795</b>	<b>26,237,327</b>	<b>25,922,020</b>
<b>Total non-current interest-bearing loans and borrowings</b>	<b>50,415,460</b>	<b>52,054,530</b>	<b>8,577,195</b>	<b>8,711,590</b>

#### Total Interest-bearing loans and borrowings

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
As at 1 January	99,672,747	100,747,284	32,340,881	35,731,166
Additions	26,868,268	14,949,597	-	-
Effective interest	18,740,429	16,663,538	6,083,687	5,721,780
Principal repayments	(46,116,827)	(35,260,691)	(1,864,051)	(6,063,140)
Interest repayments	(14,563,356)	(6,103,309)	(4,076,547)	(3,048,926)
Exchange Loss	-	8,676,328	-	-
	<b>84,601,261</b>	<b>99,672,747</b>	<b>32,483,969</b>	<b>32,340,881</b>
Overdraft (Note 31)	3,910,981	4,041,655	2,330,553	2,292,729
	<b>88,512,242</b>	<b>103,714,402</b>	<b>34,814,522</b>	<b>34,633,610</b>

**Notes to the consolidated and separate financial statements**

**26. Borrowings (cont'd)**

**Qualitative description of interest-bearing loans and borrowing**

**Term loan**

These represent term loans with a average tenor of 10 years and an average interest rate of 16%. These facilities are repayable by instalments at various dates between 2020 and 2030.

**Bank overdrafts**

The bank overdrafts are secured by a portion of the Group's asset

**Short-term loan**

Short-term loan represents a rolling 90 day tenor with an average interest rate of 20%.

**N12.75 billion 5-year bond**

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

**N10 billion loan**

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

**\$215 million loan**

\$215 million acquisition loan obtained by the Company from its bankers for the purpose of acquiring 100% interest in Ughelli Power Plc. The balance has been fully repaid.

**Fair values**

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:"

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

<b>Group</b>	<b>Carrying amount</b>		<b>Amortised Cost</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Financial liabilities</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Interest-bearing loans and borrowings	<b>88,512,242</b>	<b>103,379,325</b>	<b>105,128,395</b>	<b>105,128,395</b>
<b>Company</b>				
<b>Financial liabilities</b>	<b>Carrying amount</b>		<b>Amortised Cost</b>	
<b>N'000</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Interest-bearing loans and borrowings	<b>34,814,521</b>	<b>34,633,610</b>	<b>35,110,311</b>	<b>35,110,311</b>

**Notes to the consolidated and separate financial statements**

**26. Borrowings (cont'd)**

The management assessed that the fair values of cash and bank balances, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the Group's interest-bearing borrowings and loans are determined by using the DCF method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

**27. Asset Held for Sale**

In year 2023, the board resolved to dispose of one of its subsidiaries, Transcorp Hotels Calabar Limited. The negotiation was finalised by the execution of a purchase agreement with the selected buyer on 27 November, 2023. The business has been disposed in the current year. The disposal is consistent with the group's long-term policy to focus its activities on the group's other businesses.

This subsidiary, which are expected to be sold within 12 months, have been classified as a disposal group held for sale and presented separately in the statement of financial position.

Details of the assets and liabilities classified as net assets held for sale, and the impairment losses, are disclosed below:

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Transfer from Investment in subsidiaries	-	-
Transfer from Goodwill (Note 23)	-	963,112
Properties, plant and equipment	-	1,623,229
Intangible assets	-	131
Inventories	-	111,381
Trade and other receivables	-	122,969
Prepayments	-	15,623
Cash and bank balances	-	62,418
	<hr/>	<hr/>
<b>Fair value of total assets classified as held for sale</b>	<b>-</b>	<b>2,898,863</b>
Trade and other payables	-	(392,639)
Tax liabilities	-	(6,224)
	<hr/>	<hr/>
<b>Total liabilities associated with assets classified as held for sale</b>	<b>-</b>	<b>(398,863)</b>
<b>Fair Value of net assets classified as held for sale</b>	<b>-</b>	<b>2,500,000</b>

**Notes to the consolidated and separate financial statements**

**27.2 Discontinued Operations**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Revenue	192,599	1,244,738
Cost of sale	(82,914)	(418,977)
<b>Gross profit</b>	<b>109,685</b>	<b>825,761</b>
Other income	-	12,119
Impairment (losses) on financial assets	-	(12,966)
Operating expenses	(166,674)	(979,697)
<b>Operating loss</b>	<b>(56,989)</b>	<b>(154,783)</b>
Net finance income	14	153
<b>Profit before tax</b>	<b>(56,975)</b>	<b>(154,630)</b>
Attributable tax expense	-	(6,224)
	(56,975)	(160,854)
Gain before tax on disposal (note 27.4)	56,975	-
Loss attributable to discontinued operations	<u>-</u>	<u>(160,854)</u>
<b>Cashflows from discontinued operations</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Net cash from operating activities	(56,988)	39,351
Net cash inflow/(outflow) from investing activities	14	(18,792)
Net cash inflow/(outflow) from financing activities	-	-
<b>27.3 For Cashflow Purpose</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Loss before tax from discontinued operations	-	(154,630)
Depreciation of property, plant and equipment	-	127,732
Amortisation of intangible assets	-	678
Gain on foreign exchange differences	-	(12,119)
Gain on Disposal - net	-	-
Finance income	-	(153)
	<u>-</u>	<u>(38,492)</u>

**Notes to the consolidated and separate financial statements**

**27.4 Disposal of Asset Held for Sale**

During the year 2023 the board had resolved to dispose one of its subsidiaries, Transcorp Hotels Calabar Limited. The disposal is consistent with the group's long-term policy to focus its activities on the group's other businesses. Consequently, assets and liabilities allocable to the subsidiary were classified as a disposal group. Revenue and expenses, gains and losses relating to the discontinuation of this subsidiary was eliminated from profit or loss from the Group's continuing operations and are shown as a single line item in the consolidated statement of profit or loss.

On the 5th of February 2024, the Company obtained from the Federal Competition & Consumer Protection Commission (FCCPC) the requisite approval for the divestment of Transcorp Hotels Plc's 100% shares in Transcorp Hotels Calabar Limited. Similarly, the Securities and Exchange Commission (SEC) noted the proposed divestment, in line with the voluntary notification to the Commission.

The disposal was completed on 29th of February 2024, on which date control of Transcorp Hotels Calabar Limited was passed to the acquirer. Details of the assets and liabilities disposed, and the calculation of the profit or loss on disposal, are disclosed in note 25.

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Transfer from Goodwill	963,112	-
Properties, plant and equipment	1,603,165	-
Intangible assets	87	-
Inventories	87,713	-
Trade and other receivables	106,904	-
Prepayments	20,082	-
Cash and bank balances	17,853	-
	<hr/>	<hr/>
<b>Fair value of total assets classified as held for sale</b>	<b>2,798,916</b>	<b>-</b>
Trade and other payables	(349,667)	-
Tax liabilities	(6,224)	-
	<hr/>	<hr/>
<b>Total liabilities associated with assets classified as held for sale</b>	<b>(355,891)</b>	<b>-</b>
Net assets disposed of	<b>2,443,025</b>	<b>-</b>
Total Consideration	2,500,000	-
	<hr/>	<hr/>
<b>Gain on disposal</b>	<b>56,975</b>	<b>-</b>

#### Notes to the consolidated and separate financial statements

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Engineering spares	3,690,743	3,553,736	-	-
Guest supplies	589,729	150,472	-	-
Fuel	403,250	280,097	-	-
	<u>4,683,722</u>	<u>3,984,305</u>	<u>-</u>	<u>-</u>

There was no write-down of inventories to net realisable value during the year.

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to N4.24 billion (2023: N1.93 billion).

#### 29. Trade and other receivables

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Receivables from third-party customers and other receivables	322,499,519	146,398,317	1,519,922	1,131,134
Due from related companies	-	-	26,413,336	57,084,590
	<u>322,499,519</u>	<u>146,398,317</u>	<u>27,933,258</u>	<u>58,215,724</u>

#### 29.1 Receivables from third-party customers and other receivables

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Trade receivables	298,692,010	132,330,635	-	-
Other receivables	42,371,434	22,966,531	2,085,667	1,735,828
Allowances for expected credit losses	<u>(18,563,925)</u>	<u>(8,898,847)</u>	<u>(565,745)</u>	<u>(604,694)</u>
	<u>322,499,519</u>	<u>146,398,317</u>	<u>1,519,922</u>	<u>1,131,134</u>

#### 29.2 Due from related companies

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Due from related companies and other receivables (Note 43)	-	-	27,757,422	58,262,850
Allowances for expected credit losses on due from related parties	-	-	<u>(1,344,086)</u>	<u>(1,178,260)</u>
	<u>-</u>	<u>-</u>	<u>26,413,336</u>	<u>57,084,590</u>

#### Notes to the consolidated and separate financial statements

29.3 Other receivables	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
WHT Receivable	508,982	508,982	206,752	361,965
Unclaimed Dividend Receivable	893,875	486,303	893,875	486,303
Staff Advance	342,593	352,901	342,593	352,901
Other receivables	40,625,985	21,618,345	642,447	534,659
	<b>42,371,435</b>	<b>22,966,531</b>	<b>2,085,667</b>	<b>1,735,828</b>

29.4 Total net trade and other receivables	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Total trade and other receivables	341,063,444	155,297,165	29,843,089	59,998,678
Total allowance on expected credit loss on trade and other receivables	(18,563,925)	(8,898,847)	(1,909,831)	(1,782,954)
	<b>322,499,519</b>	<b>146,398,318</b>	<b>27,933,258</b>	<b>58,215,724</b>

#### 29.5 Impairment of trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 7.

The Group does not hold collateral as security. The letters of credit and other forms of credit insurance are considered integral part of trade receivables and considered in the calculation of impairment. The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Group	2024		2023	
	Estimated gross carrying amount N'000	Loss allowance (Lifetime expected credit loss) N'000	Estimated gross carrying amount at default N'000	Loss allowance (Lifetime expected credit loss) N'000
<b>Expected credit loss rate:</b>				
Current: 0.72%(2023:0.45%)	1,212,428	8,765	697,696	3,138
Less than 30 days past due: 1.74% (2023: 0.1%)	115,085,946	2,004,619	39,433,173	4,805
30 - 60 days:4.86% (2023: 0.05%)	38,007,527	1,846,399	12,587,045	6,013
61 - 90 days: 6.81% (2023: 3.89%)	66,624,465	4,535,299	27,880,848	1,084,730
More than 90 days: 7.65% (2023: 15.1%)	77,761,644	10,168,843	51,731,873	7,800,161
<b>Total</b>	<b>298,692,010</b>	<b>18,563,925</b>	<b>132,330,635</b>	<b>8,898,847</b>

#### Notes to the consolidated and separate financial statements

#### 29.5 Impairment of trade receivables

Company	2024		2023	
	Estimated gross carrying amount	Loss allowance (Lifetime expected credit loss)	Estimated gross carrying amount at default	Loss allowance (Lifetime expected credit loss)
<b>Expected credit loss rate:</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Current	137,722	0	50,153	17,471
Less than 30 days past due: 23% (2023: 23%)	407,621	93,753	117,064	68,312
30 - 60 days: 21% (2023: 21%)	2,725	572	186,923	79,883
61 - 90 days: 20% (2023: 20%)	20,902	4,180	67,257	112,098
More than 90 days: 40% (2023: 40%)	1,516,697	467,240	1,314,431	326,930
	<b>2,085,667</b>	<b>565,745</b>	<b>1,735,828</b>	<b>604,694</b>

#### 29.6 Reconciliation of loss allowances

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

	Group		Company	
	2024	2023	2024	2023
<b>Opening balance in accordance with IFRS 9</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
As at 1 January	8,898,847	7,012,329	1,782,954	1,664,419
Provision for expected credit losses	8,925,211	2,634,673	126,876	118,535
Write-off	739,867	(748,155)	-	-
<b>Closing balance</b>	<b>18,563,925</b>	<b>8,898,847</b>	<b>1,909,830</b>	<b>1,782,954</b>

#### 29.7 Cashflows purpose

	2024		2023	
	N'000	N'000	N'000	N'000
Opening balance - Gross	155,297,166	88,359,575	59,998,678	38,895,069
Closing balance - Gross	(341,063,444)	(155,297,166)	(29,843,089)	(59,998,678)
	(185,766,278)	(66,937,591)	30,155,589	(21,103,609)
Non-cash item- additional investment in subsidiary (Note 6.2)	-	-	-	(7,870,243)
Non cash item-interest on debt instrument (Note 12)	-	164,972	2,205,821	1,277,061
	<b>(185,766,278)</b>	<b>(66,772,619)</b>	<b>32,361,410</b>	<b>(27,696,791)</b>

#### Notes to the consolidated and separate financial statements

		Group		Company	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
29.8	Current	320,643,269	146,398,318	27,933,258	58,215,724
	Non-current	1,856,250	-	-	-
		<b>322,499,519</b>	<b>146,398,318</b>	<b>27,933,258</b>	<b>58,215,724</b>

Non-current receivables is from Eco Travels and Tours Limited relate to the sales consideration due from Eco travels and tours, following the completion of the disposal of Transcorp Hotels Calabar Limited.

#### 30. Prepayments and other assets

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Maintenance contracts	438,771	253,503	-	-
Insurance and permits	818,350	246,487	-	-
Prepaid loan management fees (BOI Loans)	239,925	332,489	-	-
Deposits and Advances	250,149	3,066,425	-	-
Other prepaid expenses	401,483	508,045	109,908	51,660
	<b>2,148,678</b>	<b>4,406,949</b>	<b>109,908</b>	<b>51,660</b>
Current	2,116,172	4,384,795	77,402	29,506
Non-current	32,506	22,154	32,506	22,154
	<b>2,148,678</b>	<b>4,406,949</b>	<b>109,908</b>	<b>51,660</b>

#### 31. Cash and cash balances

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Cash on hand	59,831	67,960	4,359	21,275
Cash at bank	11,286,833	10,705,706	300,138	421,908
Short-term deposits	6,620,291	5,804,096	623,341	554,727
	<b>17,966,955</b>	<b>16,577,762</b>	<b>927,838</b>	<b>997,910</b>

There is no restricted cash in line with IAS 7.

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Cash on hand and at bank	11,346,664	10,773,666	304,497	443,183
Short-term deposits	6,620,291	5,804,096	623,341	554,727
	<b>17,966,955</b>	<b>16,577,762</b>	<b>927,838</b>	<b>997,910</b>
Bank overdraft (Note 26)	(3,910,981)	(4,041,655)	(2,330,553)	(2,292,729)
	<b>14,055,974</b>	<b>12,536,107</b>	<b>(1,402,715)</b>	<b>(1,294,819)</b>

**Notes to the Consolidated and Separate Financial Statements**

**32. Issued capital**

**32.1 Share capital**

	Group		Company	
	2024	2023	2024	2023
<b>Ordinary shares authorised</b>				
At 1 January (40,647,990,293 ordinary shares of 50 kobo each)	20,323,996	20,323,996	20,323,996	20,323,996
Share reconstruction(30,485,992,719 of 50 kobo each)	(15,242,997)	-	(15,242,997)	-
	<b>5,080,999</b>	<b>20,323,996</b>	<b>5,080,999</b>	<b>20,323,996</b>
<b>Ordinary shares issued and fully paid</b>				
10,161,997,574(2023: 40,647,990,293) ordinary shares of 50 kobo each	<b>5,080,999</b>	<b>20,323,996</b>	<b>5,080,999</b>	<b>20,323,996</b>

In compliance with sections 130 - 133 of companies and Allied Matters Act No 3 of 2020 (as amended). the shareholders at the Annual General Meeting held on 27 May 2024 authorised and approved the reconstruction of the Company's share capital. It was approved by the court.

\*In October 2024, the company reconstructed its share capital by consolidation of the total number of issued shares at a ratio of 1 to 4 ordinary shares at the par value of 50 kobo per share. There is now a share Reconstruction Reserve for surplus shares of 30,485,992,719 from the reconstruction exercise.

**32.2 Share reconstruction reserve**

	Group		Company	
	Number	N'000	Number	N'000
At 1 January	-	-	-	-
Transfer from share capital	30,485,992,719	15,242,997	30,485,992,719	15,242,997
	<b>30,485,992,719</b>	<b>15,242,997</b>	<b>30,485,992,719</b>	<b>15,242,997</b>

The share reconstruction reserve arose from the issue of 1 for 4 ordinary shares in the capital reduction scheme that was done in October 2024. The scheme resulted in a 30.49bn surplus shares that were transferred to the share reconstruction reserve.

**32.3 Retained Earnings**

	Group		Company	
	N'000	N'000	N'000	N'000
<b>Balance at 1 January</b>	68,922,551	54,577,014	25,746,588	19,727,493
Profit for the year	51,524,914	16,377,832	16,897,647	8,051,390
Dividends	(8,129,598)	(2,032,295)	(8,129,598)	(2,032,295)
<b>Balance at 31 December</b>	<b>112,317,867</b>	<b>68,922,551</b>	<b>34,514,637</b>	<b>25,746,588</b>

#### Notes to the Consolidated and Separate Financial Statements

33	Share premium	Group		Company	
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
	Premium arising on issue of equity shares	6,249,871	6,249,871	6,249,871	6,249,871

34.	Deferred income	Group		Company	
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
	At 1 January	1,557,582	1,992,078	13,500	-
	Received during the year	50,000	13,500	50,000	13,500
	Released to the statement of profit or loss	(487,804)	(447,996)	(38,500)	-
		<b>1,119,778</b>	<b>1,557,582</b>	<b>25,000</b>	<b>13,500</b>
	Current	469,000	457,500	25,000	13,500
	Non-current	650,778	1,100,082	-	-
		<b>1,119,778</b>	<b>1,557,582</b>	<b>25,000</b>	<b>13,500</b>

Transcorp Hotel Plc obtained loans from Bank of Industry (BOI) for the sum of N10billion in 2019 and 12.751billion in 2021. The purpose of the loans were to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new multi-purpose banqueting conference centre. The interest rate on the loan 10% was below the market loan rate. The fair value and the deferred income on the loan was recognized initially on the loan drawn-down date. The deferred income was subsequently amortized on a straight line basis over the tenor of the loan. There were no unfulfilled conditions relating to the loan as at the reporting date. The opening deferred income was N1.56 billion and N487.8 million was credited to other operating income in the statement of profit or loss for the year ended 31 December 2024

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Notes to the Consolidated and Separate Financial Statements

35. Contract liabilities	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Summary of contract liabilities</b>				
Short-term advances for hospitality services (Note 35.1)	204,889	143,555	-	-
Key money from Hilton (Note 35.2)	1,986,725	2,139,550	-	-
	<b>2,191,614</b>	<b>2,283,105</b>	-	-
<b>Reconciliation of contract liabilities</b>				
As at 1 January	2,283,105	2,397,839	-	-
Deferred during the year	-	-	-	-
Recognised as revenue during the year	(91,491)	(114,734)	-	-
	<b>2,191,614</b>	<b>2,283,105</b>	-	-
<b>Split between non-current and current portions</b>				
Non-current liabilities	1,833,905	1,986,730	-	-
Current liabilities	357,709	296,375	-	-
	<b>2,191,614</b>	<b>2,283,105</b>	-	-

#### 35.1 Short-term advances for hospitality services

This relates to consideration paid by customers before the Hotel transfers goods or services. Contract liabilities are recognised as revenue when the Hotel performs its obligations under the contract.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Reconciliation of short-term advances</b>				
At 1 January	143,555	105,464	-	-
Deferred during the year	204,889	143,555	-	-
Recognised as other operating income during the year	(143,555)	(105,464)	-	-
<b>At 31 December</b>	<b>204,889</b>	<b>143,555</b>	-	-
Current	204,889	143,555	-	-

#### 35.2 Key money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed \$10million towards the refurbishment of the hotel. The contribution is referred to as Key money. It does not attract any interest, and it is not repayable by the Company unless the contract is terminated before the end of the contract period. The Key money from Hilton International LLC will be notionally amortised over the contract period on a straight-line basis to other income. The outstanding balance of N1.99bn relates to the unamortised portion of the key money as at 31 December 2024.

#### Notes to the Consolidated and Separate Financial Statements

#### 35.2 Key money from Hilton (cont'd)

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Reconciliation of Key money from Hilton At 1 January</b>	2,139,550	2,292,375	-	-
Received during the period	-	-	-	-
Recognised as other operating income during the year	(152,825)	(152,825)	-	-
<b>At 31 December</b>	<b>1,986,725</b>	<b>2,139,550</b>	-	-

#### 36. Trade and other payables

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Financial instruments:</b>				
Trade payables	181,022,336	127,853,890	-	-
Due to related companies and other payables	8,430,790	6,933,816	26,250,246	32,651,912
Accrued liabilities	37,318,616	9,190,281	555,297	225,992
Unclaimed dividend	2,071,921	1,726,424	1,743,560	1,514,468
Dividend payable (Note 36.1)	86,864	13,149,306	-	-
	<b>228,930,527</b>	<b>158,853,717</b>	<b>28,549,103</b>	<b>34,392,372</b>
<b>Non-financial instruments:</b>				
Advanced deposits	167,401	165,518	-	-
VAT and WHT	3,887,470	2,852,016	2,061,201	1,718,212
Afam payables (Note 36.3)	8,273,168	8,273,168	-	-
Other payables (Note 36.4)	39,965,240	10,565,580	75,443	495,597
	<b>52,293,279</b>	<b>21,856,282</b>	<b>2,136,644</b>	<b>2,213,809</b>
<b>Total Trade and other payables</b>	<b>281,223,806</b>	<b>180,709,999</b>	<b>30,685,747</b>	<b>36,606,181</b>

#### 36.1 Dividend payable

As at 1 January	13,149,306	7,656,988	-	-
Appropriation during the year	13,887,191	13,883,468	8,129,598	2,032,295
Dividend paid	(26,949,633)	(8,391,150)	(8,129,598)	(2,032,295)
	<b>86,864</b>	<b>13,149,306</b>	-	-

The Directors proposed dividend of N1.00 per ordinary share (2023: 10 kobo). The proposed dividend will be presented to shareholders for approval at the next Annual General Meeting and paid subsequently subject to withholding tax at an appropriate rate. The full year dividend of N10.1bn proposed by management shall be paid first from the net dividend income of NGN7.73bn received during the year from subsidiaries and other investments before being paid from other sources.

For Transcorp Power Plc, dividend of N5.00 was declared in 2024 based on 7,500,000,000 ordinary shares (2023: N3.13) while Transcorp Hotels Plc declared 74 kobo in 2024 (2023: 20kobo).

## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Notes to the Consolidated and Separate Financial Statements

#### 36. Trade and other payables (cont'd)

36.2 Trade payables are non-interest bearing and are normally settled on 60-day terms.

36.3 Afam payables represents deposit for investment in TransAfam yet to be allotted.

36.4 Other payables	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Statutory Liabilities	-	-	-	-
Other payables	39,965,240	10,565,580	75,443	495,597
	<b>39,965,240</b>	<b>10,565,580</b>	<b>75,443</b>	<b>495,597</b>

Included in other payables is the sum of N39bn from Transcorp Power Plc relating to vendors that supplied various material and provided services to the company.

#### 37. Deposit for investment

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
TransAfam Power Limited (note 37.1)	-	-	28,385,000	-
	-	-	<b>28,385,000</b>	-

37.1 This is deposit for investment made during the year with TransAfam Power Limited

#### 38. Deposit for shares

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Deposit for shares-THIL (Note 38.1)	2,410,000	2,410,000	-	-
Deposit for shares-TAPL (Note 38.2)	25,525,000	10,525,000	-	-
	<b>27,935,000</b>	<b>12,935,000</b>	-	-

##### 38.1 Deposit for shares-THIL

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

##### 38.2 Deposit for shares-TAPL

Deposit for shares relates to other parties' contribution to TransAfam Power Limited (TAPL) towards the acquisition cost for the Afam Power Genco.

## **Notes to the Consolidated and Separate Financial Statements**

### **39. Defined Benefit Plan - Other employee benefit**

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

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

The most recent actuarial valuations of the present value of the defined benefit liability were carried out at 31 December 2024 by Mr. Paul Monday Odofin FRC/2024/PRO/NAS/002/974208, Associate - Nigerian Actuarial Society (NAS) of GIANT CONSULTANTS LIMITED.

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

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

#### **Key assumptions used:**

##### **Financial Assumptions**

##### **Discount Rate**

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

IAS 19 requires an entity to determine the rate to be used for discounting long-term employees' benefits with reference to market yields on high-quality corporate bonds. However, when there is no deep market in corporate bonds, an entity is required to use market yields on government bonds instead.

There is no deep market in corporate bonds in Nigeria and we have determined the rate used for the current valuation by reference to the yield available on Nigerian Federal Government Bonds.

As at 31st December 2024, yields per annum on long-term Government bond ( term over 20 years) was 17.5%. For the purpose of the current valuation, considering the plan's liability duration, we have adopted 17.5% p.a for the financial year 2024.

##### **Benefit escalation rate**

The naira benefit escalation rate used for the actuarial valuation is 8.5% based on the historical escalation rate from the past three service contract amendments.

The dollar benefit escalation rate is based on official exchange rate projections at the rate of 15% from one period to another period i.e every five years and not 15% per year. The source of this data is the Central Bank of Nigeria's published projections.

**Notes to the Consolidated and Separate Financial Statements**

**39. Defined Benefit Plan - Other employee benefit (cont'd)**

**Demographic Assumptions**

**Mortality in Service**

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

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

**39. Defined Benefit Plan - Other employee benefit**

**Withdrawal from Service**

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

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

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Current Service cost	10,190	8,021		
Interest expense	35,746	24,210		
Components of defined benefit costs recognised in profit or loss	<b>45,936</b>	<b>32,231</b>	-	-

Of the expense (service cost) for the year, N4.9mn (2023: N3.3 mn) has been included in profit or loss as cost of sales and N5.3mn (2023: N4.7 mn) has been included in administrative expenses. The net interest expense has been included within finance costs. The remeasurement of the net defined benefit liability is included in other comprehensive income.

**Notes to the Consolidated and Separate Financial Statements**

**39. Defined Benefit Plan - Other employee benefit (cont'd)**

Amounts recognised in other comprehensive income (net of tax) are as follows:

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Actuarial (gains) and losses arising from changes in Discount Rate Assumption	(64,323)	(28,033)	-	-
Actuarial (gains) and losses arising from changes in Exchange Rate Assumption	191,220	81,823	-	-
Cost of benefit improvement	26,620	-	-	-
Actuarial (gains) and losses arising from experience adjustments	68,615	2,702	-	-
tax credit	(73,304)	(18,642)	-	-
<b>Remeasurement of the net defined benefit liability</b>	<b>148,828</b>	<b>37,850</b>	-	-

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Present value of defined benefit obligations	466,751	244,067	-	-
Fair value of plan assets	-	-	-	-
<b>Funded status</b>	<b>466,751</b>	<b>244,067</b>	-	-
Restrictions on asset recognised	-	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>466,751</b>	<b>244,067</b>	-	-
<b>Split between non-current and current portions</b>				
Current liabilities	45,936	32,231	-	-
Non-current liabilities	420,815	211,836	-	-
	<b>466,751</b>	<b>244,067</b>	-	-

The current liabilities is the portion of the liabilities that is due in the next 12 months.

#### Notes to the Consolidated and Separate Financial Statements

#### 39. Defined Benefit Plan - Other employee benefit (cont'd)

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

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Opening defined benefit obligation	244,067	194,713	-	-
Service cost	10,190	8,021	-	-
Interest cost	35,746	24,210	-	-
Actuarial losses	222,132	56,492	-	-
Benefits paid	(45,384)	(39,369)	-	-
Closing defined benefit obligation	<b>466,751</b>	<b>244,067</b>	-	-

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

<i>All amounts are in thousands of naira</i>	Decrease	Base	Increase
Effect of 1% increase or decrease in Discount rate	471,418,510	466,751,000	462,083,490
Effect of 1% increase or decrease in Escalation rate	462,083,490	466,751,000	471,418,510
Effect of 10% increase or decrease in Exchange rate	420,075,900	466,751,000	513,426,100
Effect of 10% increase or decrease in Withdrawal rate	513,426,100	466,751,000	420,075,900
Effect of 10% increase or decrease in Mortality rate	513,426,100	466,751,000	420,075,900

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

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

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

#### 40. Other Investments

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Other Investments	16,800,450	1,800,450	400,100	400,100
United Bank for Africa Plc (note 40.2)	5,377,722	-	3,377,722	-
	<b>22,178,172</b>	<b>1,800,450</b>	<b>3,777,822</b>	<b>400,100</b>

40.1 The equity instrument represents a purchase of 10% of the 1,000,000 ordinary share capital of Jeolan Limited.

40.2 This represents payment made for United Bank for Africa Plc right issues which has not been allotted as at year end.

**Notes to the Consolidated and Separate Financial Statements**

**41. Non-Controlling Interest**

	<b>Group</b>	
	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Balance brought forward	56,880,827	47,386,526
Transferred from Profit or loss account	42,528,356	16,088,539
Dividend	(5,757,593)	(11,851,173)
Scrip dividend	-	5,256,935
**Adjustment for disposal of shares (Note 6.2)	299,658	-
	<b>93,951,248</b>	<b>56,880,827</b>
<b>For Cashflow purposes</b>	<b>2024</b>	<b>2023</b>
	<b>N'000</b>	<b>N'000</b>
Increase in NCI	-	5,256,935
Non cash items	-	(5,256,935)
	<u>-</u>	<u>-</u>

**42. Commitments and contingencies**

**42a Commitments**

The Directors have disclosed that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into consideration in the preparation of these financial statements. As at December 31 2024, the Group had no commitments (2023: Nil).

**42b Contingent Liability**

The Group is involved in some legal actions in the ordinary course of the business. The Group has been advised by its legal counsel that the likelihood of the claims being against the Group is low and no provision required.

#### Notes to the Consolidated and Separate Financial Statements

#### 43. Related party disclosures

Note 6 provides information about the Group's structure, including details of the subsidiaries and the holding company. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Related party balances	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Amount owed to related parties</b>				
Transcorp Power Limited (now Transcorp Power Plc)		-	26,250,246	32,651,912
Heirs Oil and Gas and related companies	8,430,790	6,933,816	-	-
	<b>8,430,790</b>	<b>6,933,816</b>	<b>26,250,246</b>	<b>32,651,912</b>
<b>Amount owed by related parties</b>				
Afam Power Plc	-	-	4,908,797	3,776,612
Transcorp Power Limited (now Transcorp Power Plc)	-	-	8,339,365	19,133,195
Transcorp OPL 281 Limited	-	-	14,036,755	12,264,709
Transcorp Hotels Plc	-	-	151,317	4,506,993
TransAfam Power Ltd	-	-	-	18,385,000
Aura by Transcorp	-	-	17,013	2,854
Transcorp Energy Limited	-	-	304,175	193,487
	-	-	<b>27,757,422</b>	<b>58,262,850</b>

#### Terms and conditions of transactions with related parties

Outstanding balances at the year-end are unsecured and interest free and settlement occurs regularly. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2024, the Company recognised N1.3bn (2023:N1.2bn) as provision for expected credit losses relating to amounts owed by related parties.

#### Group

During the year, Heirs Energies Limited (HEL) supplied gas to Afam Power Plc amounting to N8.4 billion (2023: N5.3 billion), this is part of the Gas cost in the Cost of sales for the year. Other services rendered by HEL related companies to Transnational Group amounting to N4.3 billion (2023: N3.9 billion) during the year; these are included in administrative expenses.

#### Company

#### Related party borrowings

Included in the amount due from OPL 281 Limited is N14.04b loan at 20%.

The loan with Afam Power Plc is N1.3bn at 20%

#### Other terms

The Company entered into a Technical and Management services agreement with Transcorp Hotels Plc, Transcorp Power Plc, and TransAfam 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 these Companies.

**Notes to the Consolidated and Separate Financial Statements**

**43.1 Key Management Personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group, and their close family members. Close family members are those family who may be expected to influence, or be influenced by that individual in their dealings with Transcorp Group and its subsidiaries.

Key management personnel and their close family members engaged in the following transactions with the Group during the period:

Dr. (Mrs) Owen Omogiafo, OON	Loan	<u>75,741</u>
------------------------------	------	---------------

This is upfront advances in line with the terms and conditions of staff employment.

	Group		Company	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<b>Compensation to directors</b>				
Salaries and other short-term employee benefits	411,738	344,495	221,083	168,591
Defined contributions	5,680	5,680	2,134	2,134
Fees and allowances	530,532	499,238	195,540	195,540
	<u>947,950</u>	<u>849,413</u>	<u>418,757</u>	<u>366,265</u>
Amount paid to highest paid director (excluding pension contributions)	<u>120,000</u>	<u>90,000</u>	<u>120,000</u>	<u>90,000</u>
<b>Chairman's emoluments</b>				
Fees	8,000	8,000	8,000	8,000
Other allowance	-	12,893	-	12,893
Benefits in kind	45,485	45,485	45,485	45,485
	<u>53,485</u>	<u>66,378</u>	<u>53,485</u>	<u>66,378</u>

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

	Group		Company	
	2024 Number	2023 Number	2024 Number	2023 Number
Less than N10,000,000	23	23	-	-
Over N10,000,000	12	12	9	9
	<u>35</u>	<u>35</u>	<u>9</u>	<u>9</u>

**Notes to the Consolidated and Separate Financial Statements**

44	Profit for the year from continuing operations after charging/(crediting):			
	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Profit before tax	136,668,246	58,806,005	18,486,442	9,692,198
Depreciation and Amortization expenses	2,791,687	2,641,546	26,441	20,536
Depreciation of Right-of-use assets	56,759	56,759	56,759	56,759
Employee benefit expenses	9,043,136	5,479,050	823,894	546,525
Auditor's remuneration	287,638	221,712	68,796	49,140
Finance expense	18,532,821	25,004,789	8,888,414	6,897,856
Finance income	(1,814,739)	(1,424,671)	(2,205,821)	(1,277,061)
Investment income	(2,075,863)	(673,674)	(2,075,863)	(673,674)
Impairment Loss	8,925,211	2,634,673	126,876	118,535
(Gain)/loss on disposal of property, plant and equipment	(29,290)	(18,128)	(27)	-

**45. Securities Trading Policy**

The Group's Code of Conduct and the Securities Trading Policy detail activities on security trading. The policies prohibit employees and Directors from insider trading, dealings and stock tipping during closed periods. The Capital Market, Board, Management and Employees are regularly notified of closed periods. There was no insider trading recorded during the year.

**46. Events after reporting date**

The shareholders paid the sum of N56bn on 27 January 2025, being the balance of acquisition cost of Afam Power Plc and Afam Three Fast Power Ltd. By this, the purchase consideration has been fully paid.

Apart from the above, there are no other events or transactions that have occurred since the reporting date which would have a material effect on the financial statements as presented.

**47. Non-audit services**

During the year, the Company's external auditors (Deloitte) rendered non-audit services to the Company.

	Group		Company	
	2024	2023	2024	2023
	N'000	N'000	N'000	N'000
Fee for Attestation of Internal Control over Financial Reporting	37,000	25,000	10,000	7,500



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

**Notes to the Consolidated and Separate Financial Statements**

**48. Restatement and reclassification of prior year corresponding balance**

**Reclassification of management fee from other income to revenue**

In preparing the financial statement for 2024, the Directors have reconsidered and adjusted the accounting policy regarding the recognition of the management fee as part of revenue, rather than as other income. To properly present the comparative figure, the notes table below illustrates how the reclassification was applied for the year ended 31 December 2023

	<b>Previously reported N'000</b>	<b>Adjustment N'000</b>	<b>As Restated N'000</b>
Revenue	12,293,063	3,732,565	16,025,628
Other income	5,389,475	(3,732,565)	1,656,910



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements  
For The Year Ended 31 December 2024

## **OTHER NATIONAL DISCLOSURES**

## Consolidated and Separate Statement of Value Added

	Group				Company			
	2024 N'000	%	2023 N'000	%	2024 N'000	%	2023 N'000	%
Revenue	407,915,908		196,989,632		14,409,555		16,025,628	
Other operating income	5,317,189		2,886,441		4,504,248		1,656,910	
	<b>413,233,097</b>		<b>199,876,073</b>		<b>18,913,803</b>		<b>17,682,538</b>	
<b>Bought in materials and services</b>								
Foreign	(168,426,003)		(71,581,072)		6,557,702		(328,065)	
Local	(72,182,573)		(30,677,602)		2,810,444		(140,599)	
<b>Total Value added</b>	<b>172,624,521</b>	<b>100</b>	<b>97,617,399</b>	<b>100</b>	<b>28,281,949</b>	<b>100</b>	<b>17,213,874</b>	<b>100</b>
<b>Applied as follows:</b>								
<b>To pay Employees</b>								
Salaries and other benefits	9,043,136	5	5,479,050	6	823,894	3	546,525	3
<b>To pay Providers of Capital</b>								
Finance costs	18,532,821	11	25,004,789	26	8,888,414	31	6,897,856	40
<b>To pay to Government</b>								
Income tax	38,918,300	23	20,278,048	21	1,588,795	6	1,640,808	10
<b>To be retained in the business</b>								
Depreciation of property, plant and equipment	9,134,518	5	8,455,179	9	26,440	-	20,536	-
Depreciation of right-of-use assets	56,759	-	56,759	-	56,759	-	56,759	-
Amortisation of intangible assets	48,294	-	41,667	-	-	-	-	-
Deferred tax	2,801,942	2	5,826,513	6	-	-	-	-
	<b>12,041,513</b>	<b>7</b>	<b>14,380,118</b>	<b>15</b>	<b>83,199</b>	<b>0</b>	<b>77,295</b>	<b>0</b>
<b>Value retained</b>								
Retained profit	51,524,914	30	16,377,832	17	16,897,647	60	8,051,390	47
Non Controlling interest	42,563,837	24	16,097,562	15	-	-	-	-
	<b>94,088,751</b>	<b>54</b>	<b>32,475,394</b>	<b>32</b>	<b>16,897,647</b>	<b>60</b>	<b>8,051,390</b>	<b>47</b>
	<b>172,624,521</b>	<b>100</b>	<b>97,617,399</b>	<b>100</b>	<b>28,281,949</b>	<b>100</b>	<b>17,213,874</b>	<b>100</b>

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government and that retained for the future creation of more wealth.



## TRANSNATIONAL CORPORATION PLC

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

### Consolidated and Separate Five-Year Financial Summary

#### GROUP

	2024	2023	2022	2021	2020
	N'000	N'000	N'000	N'000	N'000
<b>Assets</b>					
Non-current assets	406,153,187	355,679,677	340,833,046	327,740,628	231,386,794
Current assets	345,410,118	171,345,179	101,869,876	88,259,389	87,824,258
Asset Held for Sale	-	2,898,863	-	-	-
<b>Total assets</b>	<b>751,563,305</b>	<b>529,923,719</b>	<b>442,702,922</b>	<b>416,000,017</b>	<b>319,211,052</b>
<b>Equity</b>					
Issued capital	5,080,999	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves	38,850,066	34,920,455	26,236,330	26,451,986	1,982,031
Share reconstruction reserve	15,242,997	-	-	-	-
Retained earnings	112,317,867	68,922,551	54,577,014	47,602,138	28,620,256
Equity attributable to equity holders of the parent	177,741,800	130,416,873	107,387,211	100,627,991	57,176,154
Non-controlling interests	93,951,248	56,880,827	47,386,526	45,664,290	38,249,016
<b>Total equity</b>	<b>271,693,048</b>	<b>187,297,700</b>	<b>154,773,737</b>	<b>146,292,281</b>	<b>95,425,170</b>
<b>Liabilities</b>					
Non-current liabilities	102,754,752	87,058,334	87,782,001	74,697,140	125,984,032
Current liabilities	377,115,505	255,168,822	200,147,184	195,010,596	97,801,850
Liabilities directly associated with assets classified as held for sale	-	398,863	-	-	-
<b>Total liabilities</b>	<b>479,870,257</b>	<b>342,626,019</b>	<b>287,929,186</b>	<b>269,707,736</b>	<b>223,785,882</b>
<b>Total equity and liabilities</b>	<b>751,563,305</b>	<b>529,923,718</b>	<b>442,702,922</b>	<b>416,000,017</b>	<b>319,211,052</b>

#### CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Revenue	407,915,908	196,989,632	133,718,490	111,219,336	75,270,921
Profit before taxation	136,668,246	58,806,005	30,383,351	27,998,554	1,608,591
Taxation	(42,579,495)	(26,169,757)	(13,299,040)	(4,167,102)	2,183,517
<b>Profit after taxation</b>	<b>94,088,751</b>	<b>32,636,248</b>	<b>17,084,311</b>	<b>23,831,452</b>	<b>3,792,108</b>
Earnings per share (kobo)	145	40	19	34	-
Net Assets per share (kobo)	1,749	321	264	248	141
Dividend per share (kobo)	100	10	5	2	1

Earnings per share is based on profit for the year attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.



**TRANSNATIONAL CORPORATION PLC**

Consolidated And Separate Financial Statements

For The Year Ended 31 December 2024

**Consolidated And Separate Five-Year Financial Summary**

**COMPANY**

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
<b>Non-current assets</b>	84,642,183	75,256,321	57,880,405	53,931,620	72,586,782
<b>Current assets</b>	57,323,498	59,243,140	37,997,923	35,773,274	17,958,157
<b>Total assets</b>	<b>141,965,681</b>	<b>134,499,461</b>	<b>95,878,328</b>	<b>89,704,894</b>	<b>90,544,939</b>
<b>Equity</b>					
Issued capital	5,080,999	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	6,249,871	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves	14,346,323	10,303,365	1,590,413	1,806,069	2,093,711
Share reconstruction reserve	15,242,997	-	-	-	-
Retained earnings	34,514,637	25,746,588	19,727,493	13,324,478	10,296,595
<b>Total equity</b>	<b>75,434,827</b>	<b>62,623,820</b>	<b>47,891,773</b>	<b>41,704,414</b>	<b>38,964,173</b>
<b>Liabilities</b>					
Non-current liabilities	8,577,195	8,711,590	11,958,773	13,659,279	34,072,429
Current liabilities	57,953,659	63,164,051	36,027,782	34,341,201	17,508,337
<b>Total liabilities</b>	<b>66,530,854</b>	<b>71,875,641</b>	<b>47,986,555</b>	<b>48,000,480</b>	<b>51,580,766</b>
<b>Total equity and liabilities</b>	<b>141,965,681</b>	<b>134,499,461</b>	<b>95,878,328</b>	<b>89,704,894</b>	<b>90,544,939</b>
<b>STATEMENT OF PROFIT OR LOSS</b>					
Revenue	14,409,555	16,025,628	10,318,046	5,127,383	2,725,533
Profit before taxation	18,486,442	9,692,198	8,439,745	4,022,153	2,666,403
Taxation	(1,588,795)	(1,640,808)	(1,223,768)	(587,789)	(278,043)
<b>Profit after taxation</b>	<b>16,897,647</b>	<b>8,051,390</b>	<b>7,215,977</b>	<b>3,434,364</b>	<b>2,388,360</b>
Earnings per share (kobo)	48	20	18	8	6
Net Assets per share (kobo)	742	154	118	103	96
Dividend per share (kobo)	100	10	5	2	1

Earnings per share is based on profit for the year attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets attributable to the owners of the company and the number of issued and fully paid ordinary shares at the end of each financial year.