



**Transnational Corporation of Nigeria Plc
Unaudited Condensed Consolidated Financial Statements
For the Period Ended 31 March 2019**

Transnational Corporation of Nigeria Plc
Statement of Financial Position
As at 31 March 2019

	Note	Group		Company	
		31 March 2019 N'000	31 December 2018 N'000	31 March 2019 N'000	31 December 2018 N'000
Assets					
Non-current assets					
Property, plant and equipment	5	155,003,847	154,565,889	22,333	23,032
Intangible assets	6	40,249,447	40,240,192	5,075,818	5,075,818
Investment property	7	1,800,000	1,800,000	1,800,000	1,800,000
Investment in subsidiaries	8	-	-	27,529,887	27,529,887
Debt and equity securities	13	3,716,525	3,716,514	3,716,525	3,716,514
Deferred tax	9	3,998,817	3,998,817	-	-
Prepayment and other assets	12	542,299	221,920	225,523	185,648
		205,310,935	204,543,332	38,370,086	38,330,899
Current assets					
Inventories	10	4,697,367	4,811,913	-	-
Trade and other receivables	11	89,214,125	83,601,905	26,746,593	27,125,791
Prepayment and other assets	12	554,275	554,275	58,333	58,333
Cash and cash equivalents	14	4,664,239	3,628,370	12,289	110,751
		99,130,006	92,596,463	26,817,215	27,294,875
Total assets		304,440,941	297,139,795	65,187,301	65,625,774
Liabilities					
Current liabilities					
Trade and other payables	15	83,642,929	68,671,452	3,339,265	3,054,475
Tax Payable	16	2,548,609	2,180,348	245,098	245,098
Borrowings (short term)	17	44,491,195	54,174,104	12,656,032	12,075,980
		130,682,733	125,025,904	16,240,395	15,375,553
Non-current liabilities					
Borrowings (long term)	17	56,926,203	57,373,723	13,098,641	13,242,511
Deposit for shares	18	2,410,000	2,410,000	-	-
Deferred tax	9	6,977,463	6,977,463	-	-
		66,313,666	66,761,186	13,098,641	13,242,511
Total liabilities		196,996,399	191,787,090	29,339,036	28,618,064
Equity					
Ordinary share capital	27	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
Other reserves		1,522,953	1,522,942	1,634,633	1,634,622
Retained earnings		40,326,513	39,682,694	7,639,765	8,799,221
Equity attributable to owners of the parent		68,423,333	67,779,503	35,848,265	37,007,710
Non controlling interest	28	39,021,209	37,573,202	-	-
Total equity		107,444,542	105,352,705	35,848,265	37,007,710
Net equity and liabilities		304,440,941	297,139,795	65,187,301	65,625,774

The notes on pages 7 to 19 are an integral part of these financial statements.

The Unaudited financial statements on pages 1 to 19 were approved and authorised for issue by the Board of Directors on 23 April 2019 and were signed on its behalf by



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



Valentine Ozigbo
President/Chief Executive Officer
FRC/2013/ICAN/0000005347



Emmanuel Nnorom
Director
FRC/2014/ICAN/0007402

Transnational Corporation of Nigeria Plc
Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 31 March 2019

	Note	Group		Company	
		31 March 2019 N'ooo	31 March 2018 N'ooo	31 March 2019 N'ooo	31 March 2018 N'ooo
Revenue	19	18,306,090	26,302,393	924,968	2,436,636
Cost of sales	20	(10,163,787)	(14,323,039)	-	-
Gross profit		8,142,303	11,979,354	924,968	2,436,636
Administrative expenses	23	(3,079,230)	(3,572,991)	(450,581)	(632,519)
Other income	21	55,931	57,725	180,589	180,017
Other gains /(loss) - net	22	34,167	(4,676)	-	-
Operating profit		5,153,171	8,459,412	654,976	1,984,134
Finance cost - Net	24	(2,878,416)	(2,239,904)	(502,495)	(590,770)
Foreign exchange loss on financing activities	25	277,829	(284,416)	-	-
Profit/ (Loss) before taxation		2,552,584	5,935,092	152,481	1,393,364
Taxation	16	(460,758)	(524,319)	(92,497)	(243,664)
Profit/ (Loss) for the period		2,091,826	5,410,773	59,984	1,149,700
Profit / (Loss) attributable to:					
Owners of the parent		643,819	2,256,734	59,984	1,149,700
Non controlling interest		1,448,007	3,154,039	-	-
Other comprehensive income					
<i>Items that may be reclassified to profit or loss:</i>					
Changes in the fair value of available-for-sale (equity securities)	22	11	723,740	11	723,740
Total comprehensive income for the period		2,091,837	6,134,513	59,995	1,873,440
Attributable to:					
Owners of the parent		643,830	2,980,474	59,995	1,873,440
Non controlling interest		1,448,007	3,154,039	-	-
Basic EPS (kobo)	26	1.58	5.55	0.15	2.83
Diluted EPS (kobo)	26	1.58	5.55	0.15	2.83

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

The notes on pages 7 to 19 are an integral part of these financial statements.

Transnational Corporation of Nigeria Plc
Statement of Changes in Equity
For the Period Ended 31 March 2019

Group	Attributable to owners of the parent				Total Controlling interest N'000	Non Controlling interest N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000			
Balance at 1 January 2018	20,323,996	6,249,871	2,777,781	30,368,684	59,720,332	34,394,170	94,114,502
Profit for the period	-	-	-	9,314,010	9,314,010	11,312,657	20,626,667
Dividend paid	-	-	-	-	-	(8,133,625)	(8,133,625)
Other comprehensive income	-	-	(1,254,839)	-	(1,254,839)	-	(1,254,839)
Balance at 31 Dec 2018	20,323,996	6,249,871	1,522,942	39,682,694	67,779,503	37,573,202	105,352,705
Balance at 1 January 2019	20,323,996	6,249,871	1,522,942	39,682,694	67,779,503	37,573,202	105,352,705
Profit for the period	-	-	-	643,819	643,819	1,448,007	2,091,826
Other comprehensive income	-	-	11	-	11	-	11
Balance at 31 March 2019	20,323,996	6,249,871	1,522,953	40,326,513	68,423,333	39,021,209	107,444,542
Balance at 1 January 2018	20,323,996	6,249,871	2,777,781	30,368,684	59,720,332	34,394,170	94,114,502
Profit for the period	-	-	-	2,256,734	2,256,734	3,154,039	5,410,773
Other comprehensive income	-	-	723,740	-	723,740	-	723,740
Balance at 31 March 2018	20,323,996	6,249,871	3,501,521	32,625,418	62,700,806	37,548,209	100,249,015

Transnational Corporation of Nigeria Plc
Statement of Changes in Equity
For the Period Ended 31 March 2019

Company	Attributable to owners of the parent			Retained earnings N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Other reserves N'000		
Balance at 1 January 2018	20,323,996	6,249,871	2,889,461	5,001,182	34,464,510
Profit for the period	-	-	-	4,610,999	4,610,999
Dividend paid	-	-	-	(812,960)	(812,960)
Other comprehensive income	-	-	(1,254,839)	-	(1,254,839)
Balance at 31 Dec 2018	20,323,996	6,249,871	1,634,622	8,799,221	37,007,710
Balance at 1 January 2019	20,323,996	6,249,871	1,634,622	8,799,221	37,007,710
Profit for the period	-	-	-	59,984	59,984
Dividend paid	-	-	-	(1,219,440)	(1,219,440)
Other comprehensive income	-	-	11	-	11
Balance at 31 March 2019	20,323,996	6,249,871	1,634,633	7,639,765	35,848,265
Balance at 1 January 2018	20,323,996	6,249,871	2,889,461	5,001,182	34,464,510
Profit for the period	-	-	-	1,149,700	1,149,700
Other comprehensive income	-	-	723,740	-	723,740
Balance at 31 March 2018	20,323,996	6,249,871	3,613,201	6,150,882	36,337,950

Transnational Corporation of Nigeria Plc

Statement of Cash Flows

For the Period Ended 31 March 2019

	Note	Group		Company	
		31 March 2019 N'000	31 December 2018 N'000	31 March 2019 N'000	31 December 2018 N'000
Cash flows from operating activities					
Cash generated from/(used in) operations	30	16,605,034	37,672,366	1,188,377	(1,013,326)
Tax paid		-	(960,711)	-	(184,438)
Net cash flows generated from/(used in) operating activities		16,605,034	36,711,655	1,188,377	(1,197,764)
Cash flows from investing activities					
Dividend Income on equity security		-	368,000	-	368,000
Interest received		455,883	499,463	416,850	1,585,564
Purchase of intangible assets		(16,182)	(755,308)	-	-
Proceed from sale of property, plant and equipment		-	132,902	-	40
Purchase of property, plant and equipment		(1,358,865)	(11,161,687)	(1,085)	(12,028)
Net cash flows (used in)/generated from investing activities		(919,164)	(10,916,630)	415,765	1,941,576
Cash flows from financing activities					
Net movement in borrowings		(10,130,429)	(3,747,267)	436,181	3,295,504
Dividend paid		(1,219,440)	(9,496,282)	(1,219,440)	(812,960)
Interest payment		(3,334,299)	(14,912,269)	(919,345)	(3,455,477)
Net cash flows (used in)/generated from financing activities		(14,684,168)	(28,155,818)	(1,702,604)	(972,933)
Net (decrease)/increase in cash and cash equivalents		1,001,702	(2,360,793)	(98,462)	(229,121)
Cash and cash equivalents at the beginning of the period		3,628,370	5,598,282	110,751	339,974
Foreign exchange loss/(gain) on cash and cash equivalents		34,167	390,881	-	(102)
Cash and cash equivalents at the end of the period		4,664,239	3,628,370	12,289	110,751

The notes on pages 7 to 19 are an integral part of these financial statements.

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 31 March 2019

1. General information

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

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

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

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

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

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

Transnational Corporation of Nigeria Plc
Notes to the Financial Statements
For the Period Ended 31 March 2019

3 Fair value estimation

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

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

Assets	At 31 March 2019			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income				
Equity securities at fair value through OCI	3,716,525	-	-	3,716,525

Assets	At 31 December 2018			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Equity securities at fair value through profit or loss	3,716,514	-	-	3,716,514

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

(a) Financial instruments in level 1

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

4 Segment analysis

The Group

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

i Hospitality

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

ii Agro-allied

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

iii Power

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

iv Oil & Gas

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

v Corporate Centre

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

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

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

Transnational Corporation of Nigeria Plc
Notes to the Financial Statements
For the Period Ended 31 March 2019

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

As at 31 March 2019

	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	4,186,506	-	-	14,119,584	924,968	(924,968)	18,306,090
Finance income	1,349	-	-	37,684	416,850	-	455,883
Finance cost	674,000	-	-	1,463,125	919,345	-	3,056,470
Depreciation and amortisation	240,520	-	-	685,530	1,784	-	927,834
Profit/(loss) before taxation	458,401	-	-	2,866,648	152,481	(924,948)	2,552,584
Taxation	368,261	-	-	-	92,497	-	460,758
Segmental assets	113,021,024	5,612,103	270,145	153,215,008	65,187,301	(32,864,640)	304,440,941
Segmental liabilities	53,746,071	6,057,901	1,755,593	128,427,912	29,339,032	(22,330,110)	196,996,399
Net assets	59,274,953	(445,798)	(1,485,448)	24,787,096	35,848,269	(10,534,530)	107,444,542

As at 31 March 2018

	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	3,816,426	-	-	22,485,967	2,436,636	(2,436,636)	26,302,393
Finance income	1,290	-	-	17,087	193,783	-	212,160
Finance cost	-	-	-	1,951,928	784,553	-	2,736,481
Depreciation and amortisation	237,606	-	-	604,845	1,577	-	844,028
Profit/(loss) before taxation	874,276	-	-	6,112,758	1,393,364	(2,445,306)	5,935,092
Taxation	280,655	-	-	-	243,664	-	524,319
Segmental assets	101,525,840	4,855,475	293,437	154,983,730	65,341,765	(31,301,021)	295,699,226
Segmental liabilities	44,473,713	5,172,571	1,695,995	131,614,453	27,861,177	(16,960,993)	193,856,916
Net assets	57,052,127	(317,096)	(1,402,558)	23,369,277	37,480,588	(14,340,028)	101,842,310

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

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

	31 March 2019 N'000	31 March 2018 N'000
Revenue		
Total revenue for reportable segments	19,231,058	28,739,029
Elimination of inter-segment revenue (i)	(924,968)	(2,436,636)
External revenue	18,306,090	26,302,393
Profit or loss		
Total (loss) or profit for reportable segments	3,477,530	8,380,398
Elimination of inter-segment profits (ii)	(924,946)	(2,445,306)
Consolidated (loss) or profit before taxation	2,552,584	5,935,092
Assets		
Total assets of reportable segments	337,305,581	330,489,089
Consolidation eliminations (iii)	(32,864,640)	(33,349,294)
Consolidated total assets	304,440,941	297,139,795
Liabilities		
Total liabilities of reportable segments	219,326,509	215,026,283
Consolidation eliminations (iv)	(22,330,110)	(23,239,193)
Consolidated total liabilities	196,996,399	191,787,090

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

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Notes to the Financial Statements
For the Period Ended 31 March 2019

4 Segment analysis (continued)

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

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

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

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

Entity-wide information

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

Analysis of revenue by category:

	31 March 2019	31 March 2018
	N'000	N'000
Rooms	2,570,927	2,457,900
Food and beverage	1,234,325	1,047,503
Shop rental	196,408	142,280
Service charge	32,015	23,935
Other operating revenue	152,831	144,808
Capacity charge	4,963,296	7,922,008
Energy sent out	9,117,588	14,519,559
Ancillary services	38,700	44,400
Total	18,306,090	26,302,393

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

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 31 March 2019

5 Property, plant and equipment (PP&E)

Group	Land	Building & improvements	Plant & machinery	Furniture & fittings	Computer & office equipments	Motor vehicles	Capital work in progress	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2018	35,898,354	17,686,096	63,586,909	3,205,151	241,328	732,903	40,150,851	161,501,592
Additions	1,465,925	40,520	952,336	15,273	219,731	37,514	13,763,767	16,495,066
Reclassification	375,370	37,180	863,838	-	-	-	(1,276,388)	-
Disposals	-	-	(196,143)	(14,107)	(404)	(46,785)	-	(257,439)
Write off	-	-	-	-	-	-	(618)	(618)
Balance as at 31 December 2018	37,739,649	17,763,796	65,206,940	3,206,317	460,655	723,632	52,637,612	177,738,601
Balance as at 1 January 2019	37,739,649	17,763,796	65,206,940	3,206,317	460,655	723,632	52,637,612	177,738,601
Additions	-	1,076	9,783	1,085	11,802	-	1,335,119	1,358,865
Reclassification	-	-	17,429	-	-	-	(17,429)	-
Balance as at 31 March 2019	37,739,649	17,764,872	65,234,152	3,207,402	472,457	723,632	53,955,302	179,097,466
Depreciation and impairment losses								
Balance as at 1 January 2018	-	2,678,818	13,953,078	2,298,144	234,271	501,690	-	19,666,001
Depreciation	-	415,802	2,848,203	40,132	212,890	81,351	-	3,598,378
Disposals	-	-	(52,882)	(12,057)	(364)	(26,364)	-	(91,667)
Write off	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	-	3,094,620	16,748,399	2,326,219	446,797	556,677	-	23,172,712
Balance as at 1 January 2019	-	3,094,620	16,748,399	2,326,219	446,797	556,677	-	23,172,712
Depreciation	-	103,306	727,662	64,552	11,962	13,425	-	920,907
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	-	3,197,926	17,476,061	2,390,771	458,759	570,102	-	24,093,619
Net book value								
At 31 March 2019	37,739,649	14,566,946	47,758,091	816,631	13,698	153,530	53,955,302	155,003,847
At 31 December 2018	37,739,649	14,669,176	48,458,541	880,098	13,858	166,955	52,637,612	154,565,889

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Notes to the Financial Statements
For the Period Ended 31 March 2019

5 Property, plant and equipment (continued)

Company	Building & improvements	Plant & Machinery	Furniture & fittings	Computer & office equipments	Motor vehicles	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2018	28,862	8,771	29,930	28,037	7,975	103,575
Additions	-	-	1,964	10,064	-	12,028
Disposals	-	-	-	(404)	-	(404)
Balance as at 31 December 2018	28,862	8,771	31,894	37,697	7,975	115,199
Balance as at 1 January 2019	28,862	8,771	31,894	37,697	7,975	115,199
Additions	-	-	-	1,085	-	1,085
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	28,862	8,771	31,894	38,782	7,975	116,284
Depreciation and impairment losses						
Balance as at 1 January 2018	28,322	1,450	23,128	25,007	7,329	85,236
Depreciation for the year	309	772	3,468	2,746	-	7,295
Disposals	-	-	-	(364)	-	(364)
Balance as at 31 December 2018	28,631	2,222	26,596	27,389	7,329	92,167
Balance as at 1 January 2019	28,631	2,222	26,596	27,389	7,329	92,167
Depreciation for the year	63	193	544	984	-	1,784
Disposals	-	-	-	-	-	-
Balance as at 31 March 2019	28,694	2,415	27,140	28,373	7,329	93,951
Net book value						
At 31 March 2019	168	6,356	4,754	10,409	646	22,333
At 31 December 2018	231	6,549	5,298	10,308	646	23,032

Depreciation is allocated as follows;

Cost of sales
Administrative expenses

Group	
2018	2017
N'000	N'000
684,006	671,279
236,901	165,996
920,907	837,275

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

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 31 March 2019

6 Intangible assets

	Group					Company		
	Goodwill N'000	Computer software N'000	Oil Prospecting License N'000	Exploration and evaluation expenditure N'000	Total N'000	Computer software N'000	Oil Prospecting License N'000	Total N'000
Cost								
At 1 January 2018	30,934,143	258,170	5,075,818	3,380,748	39,648,879	12,966	5,075,818	5,088,784
Addition	-	-	-	755,308	755,308	-	-	-
As at 31 December 2018	30,934,143	258,170	5,075,818	4,136,056	40,404,187	12,966	5,075,818	5,088,784
At 1 January 2019	30,934,143	258,170	5,075,818	4,136,056	40,404,187	12,966	5,075,818	5,088,784
Addition	-	16,182	-	-	16,182	-	-	-
Disposal	-	-	-	-	-	-	-	-
As at 31 March 2019	30,934,143	274,352	5,075,818	4,136,056	40,420,369	12,966	5,075,818	5,088,784
Accumulated amortisation								
At 1 January 2018	-	131,539	-	-	131,539	12,966	-	12,966
Amortisation charge	-	32,456	-	-	32,456	-	-	-
As at 31 December 2018	-	163,995	-	-	163,995	12,966	-	12,966
At 1 January 2019	-	163,995	-	-	163,995	12,966	-	12,966
Amortisation charge	-	6,927	-	-	6,927	-	-	-
As at 31 March 2019	-	170,922	-	-	170,922	12,966	-	12,966
Net book value								
At 31 March 2019	30,934,143	103,430	5,075,818	4,136,056	40,249,447	-	5,075,818	5,075,818
At 31 December 2018	30,934,143	94,175	5,075,818	4,136,056	40,240,192	-	5,075,818	5,075,818

Goodwill is not amortised but tested for impairment annually.

Transnational Corporation of Nigeria Plc
Notes to the Financial Statements
For the Period Ended 31 March 2019

7 Investment property

Non-current assets - at fair value

	Group		Company	
	31 March 2019 N'000	31 December 2018 N'000	31 March 2019 N'000	31 December 2018 N'000
At 1 January	1,800,000	1,706,600	1,800,000	1,706,600
Net gain from fair value remeasurement	-	93,400	-	93,400
At 31 March	1,800,000	1,800,000	1,800,000	1,800,000

8 Investment in subsidiaries

Transcorp Hotels Plc
Transcorp Power Limited
Other subsidiaries

	Company	
	31 March 2019 N'000	31 December 2018 N'000
Transcorp Hotels Plc	19,618,523	19,618,523
Transcorp Power Limited	7,860,464	7,860,464
Other subsidiaries	50,900	50,900
	27,529,887	27,529,887

Movement in investment in subsidiaries is analysed as follows:

At 1 January
Liquidation of subsidiaries
At 31 December

	Company	
	31 March 2019 N'000	31 December 2018 N'000
At 1 January	27,529,887	27,549,287
Liquidation of subsidiaries	-	(19,400)
At 31 December	27,529,887	27,529,887

9 Deferred tax

The balance of Deferred tax assets/ (Liabilities) as at 31 March 2019 is as follows:
Deferred tax assets
Deferred tax liabilities

	Group	
	31 March 2019 N'000	31 December 2018 N'000
Deferred tax assets	3,998,817	3,998,817
Deferred tax liabilities	(6,977,463)	(6,977,463)
	(2,978,646)	(2,978,646)

10 Inventories

Food and beverage
Fuel/lubricant
Spares
Guest supplies

	Group	
	31 March 2019 N'000	31 December 2018 N'000
Food and beverage	141,082	123,922
Fuel/lubricant	149,102	128,497
Spares	4,271,336	4,438,126
Guest supplies	135,847	121,368
	4,697,367	4,811,913

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For the Period Ended 31 March 2019

11 Trade and other receivables

	Group		Company	
	31 March 2019 N'000	31 December 2018 N'000	31 March 2019 N'000	31 December 2018 N'000
Trade receivables	81,581,172	80,825,307	-	-
Receivables from related parties	-	-	25,926,379	26,435,051
Other Receivables	9,683,823	6,592,911	4,744,217	4,613,284
	91,264,995	87,418,218	30,670,596	31,048,335
Less: provision for impairment	(2,050,870)	(3,816,313)	(3,924,003)	(3,922,544)
	89,214,125	83,601,905	26,746,593	27,125,791
12 Prepayment and Other Assets				
Prepayments	371,508	314,435	283,856	243,981
Other assets	725,066	461,760	-	-
	1,096,574	776,195	283,856	243,981
Non-Current	542,299	221,920	225,523	185,648
Current	554,275	554,275	58,333	58,333

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

13 Debt and equity securities

	Group and Company	
	31 March 2019 N'000	31 December 2018 N'000
Non-current portion		
Equity securities at fair value through OCI	3,716,525	3,716,514
	3,716,525	3,716,514

Movement in debt and equity securities :

	Group and Company	
	31 March 2019 N'000	31 December 2018 N'000
At 1 January	3,716,514	4,971,353
Fair value gain/(loss)	11	(1,254,839)
Liquidation	-	-
At 31 March	3,716,525	3,716,514

14 Cash and cash equivalents

	Group		Company	
	31 March 2019 N'000	31 December 2018 N'000	31 March 2019 N'000	31 December 2018 N'000
Cash and bank balance	4,664,239	3,628,370	12,289	110,751

15 Trade and other payables

	Group		Company	
	31 March 2019 N'000	31 December 2018 N'000	31 March 2019 N'000	31 December 2018 N'000
Trade creditors	41,278,930	40,119,878	-	-
Accruals and other liabilities	29,510,624	23,326,359	1,077,747	792,957
Dividend payable	6,669,488	2,701,264	-	-
Contract Liability	3,411,868	29,499	-	-
Deposit from guests	436,442	129,620	-	-
VAT payable	111,452	140,707	37,393	37,393
Unclaimed Dividend	349,125	349,125	349,125	349,125
Advance Deposit	1,875,000	1,875,000	1,875,000	1,875,000
	83,642,929	68,671,452	3,339,265	3,054,475

Advance deposit payment of N1.875 billion (2016: N1.875 billion) relates to farm-in fee of \$12.5 million received from EER/SacOil being part of the consideration for the interest of EER and SacOil in Oil Prospecting License 281 (OPL 281). The farm-in process has not been completed.

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 31 March 2019

16 Taxation

	Group		Company	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	N'000	N'000	N'000	N'000
Income tax	368,261	280,655	-	-
Education tax	-	-	-	-
	368,261	280,655	-	-
Tax on franked investment income	92,497	243,664	92,497	243,664
	460,758	524,319	92,497	243,664

The movement in tax payable is as follows:

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	N'000	N'000	N'000	N'000
At 1 January	2,180,348	1,424,147	245,098	225,015
Provision for the year	368,261	1,716,912	-	204,521
Payment during the year	-	(960,711)	-	(184,438)
At 31 March	2,548,609	2,180,348	245,098	245,098

17 Borrowings

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	N'000	N'000	N'000	N'000
Falling due within a year	44,491,195	54,174,104	12,656,032	12,075,980
	44,491,195	54,174,104	-	-
Falling due after one year	56,926,203	57,373,723	13,098,641	13,242,511
	56,926,203	57,373,723	-	-
Total	101,417,398	111,547,827	25,754,673	25,318,491

18 Deposit for shares

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

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

Transnational Corporation of Nigeria Plc
Notes to the Financial Statements
For the Period Ended 31 March 2019

19 Revenue

The group derives the following types of revenue:

Rooms
Food and beverage
Shop rental
Service charge
Other operating revenue
Dividend income
Capacity charge
Energy sent out
Ancillary services

	Group		Company	
	31 March 2019 N'000	31 March 2018 N'000	31 March 2019 N'000	31 March 2018 N'000
Rooms	2,570,927	2,457,900	-	-
Food and beverage	1,234,325	1,047,503	-	-
Shop rental	196,408	142,280	-	-
Service charge	32,015	23,935	-	-
Other operating revenue	152,831	144,808	-	-
Dividend income	-	-	924,968	2,436,636
Capacity charge	4,963,296	7,922,008	-	-
Energy sent out	9,117,588	14,519,559	-	-
Ancillary services	38,700	44,400	-	-
	18,306,090	26,302,393	924,968	2,436,636

All recognised revenue were generated in Nigeria.

20 Cost of sales

Rooms
Staff costs
Food and beverage
Natural gas and fuel costs
Other direct expenses
Repairs and maintenance
Depreciation
Insurance
Other operating departments

	Group	
	31 March 2019 N'000	31 March 2018 N'000
Rooms	8,558	9,570
Staff costs	1,008,617	945,982
Food and beverage	314,400	305,569
Natural gas and fuel costs	7,691,817	11,987,925
Other direct expenses	154,479	120,623
Repairs and maintenance	240,551	215,335
Depreciation	684,006	671,279
Insurance	60,128	62,140
Other operating departments	1,231	4,616
	10,163,787	14,323,039

21 Other income

Management fees from subsidiaries
Other income

	Group		Company	
	31 March 2019 N'000	31 March 2018 N'000	31 March 2019 N'000	31 March 2018 N'000
Management fees from subsidiaries	-	-	175,000	175,000
Other income	55,931	57,725	5,589	5,017
	55,931	57,725	180,589	180,017

22 Other gains/(losses) - net

Included in profit or loss
Foreign exchange gain/(loss)

	Group		Company	
	31 March 2019 N'000	31 March 2018 N'000	31 March 2019 N'000	31 March 2018 N'000
Foreign exchange gain/(loss)	34,167	(4,676)	-	-
	34,167	(4,676)	-	-

Included in other comprehensive income

Fair value gain/(loss) on equity securities

	11	723,740	11	723,740
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Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 31 March 2019

23 Administrative and general expenses

	Group		Company	
	31 March 2019 N'000	31 March 2018 N'000	31 March 2019 N'000	31 March 2018 N'000
Staff costs	637,737	631,062	112,360	82,633
Depreciation	236,901	165,996	1,784	1,577
Amortisation	6,927	6,753	-	-
Auditors' remuneration	28,075	31,608	7,375	8,750
Management and incentive fees	394,315	714,072	-	-
Professional fees	192,287	236,839	121,744	145,830
Director's remuneration	66,003	63,106	32,632	28,453
Rent and rates	14,514	15,000	14,514	7,500
Loss on asset disposal	-	2,160	-	-
Repairs and maintenance	194,867	180,685	1,973	1,652
Advertising	805	2,200	805	2,200
Group service benefits	79,990	72,598	-	-
Insurance	92,952	84,539	1,240	3,907
Electricity and diesel cost	335,526	304,456	3,336	4,166
Travel and accommodation	95,609	53,707	14,124	8,398
Licenses and fees	10,572	21,800	10,572	21,800
Business development	52,985	56,037	-	-
Bank charges	76,313	68,643	1,796	1,920
Provision for bad debts	60,000	70,000	-	-
Other operating expenses	502,852	791,730	126,326	313,733
	3,079,230	3,572,991	450,581	632,519

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

24 Finance costs and income

	Group		Company	
	31 March 2019 N'000	31 March 2018 N'000	31 March 2019 N'000	31 March 2018 N'000
Finance costs:				
Interest expense on loans	3,334,299	2,452,065	919,345	784,553
Interest expense on loans	3,334,299	2,452,065	919,345	784,553
Finance income:				
Interest on loan	455,883	212,161	416,850	193,783
	455,883	212,161	416,850	193,783
Finance Cost - net	2,878,416	2,239,904	502,495	590,770

25 Net foreign exchange losses

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

	Group		Company	
	31 March 2019 N'000	31 March 2018 N'000	31 March 2019 N'000	31 March 2018 N'000
Foreign exchange loss on borrowings	(277,829)	284,416	-	-

26 Earnings per share

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

	Group		Company	
	31 March 2019 N'000	31 March 2018 N'000	31 March 2019 N'000	31 March 2018 N'000
Profit attributable to shareholders	643,819	2,256,734	59,984	1,149,700
Weighted average number of ordinary shares in issue	40,647,991	40,647,991	40,647,991	40,647,991
Basic earnings per share (Kobo)	1.58	5.55	0.15	2.83
Diluted earnings per share (Kobo)	1.58	5.55	0.15	2.83

27 Share capital

a Authorised:

	Group		Company	
	31 March 2019	31 December 2017	31 March 2019	31 December 2017
45,000,000,000 ordinary shares of 50kobo each	22,500,000	22,500,000	22,500,000	22,500,000

Allotted, called up and fully paid:

	Group and Company		
	Number of shares (thousands)	Ordinary shares N'000	Total N'000
At 1 January 2019	40,647,991	20,323,996	20,323,996
Bonus issue	-	-	-
At 31 March 2019	40,647,991	20,323,996	20,323,996

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28 Non controlling interest

	Transcorp Hotels Plc (THP)	Transcorp Power Limited (TPL)	Transcorp Hotels Ikoyi Limited	Group
	N'000	N'000	N'000	N'000
At 1 January 2019	27,237,696	10,334,666	840	37,573,202
THP profit for the period	14,900	-	-	14,900
TPL profit for the period	-	1,433,107	-	1,433,107
At 31 March 2019	<u>27,252,596</u>	<u>11,767,773</u>	<u>840</u>	<u>39,021,209</u>

29 Cash generated from operating activities

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	N'000	N'000	N'000	N'000
Profit /(Loss) before tax	2,552,584	22,402,087	152,481	5,705,517
Adjustment for:				
Depreciation of PP&E (Note 6)	920,907	3,598,378	1,784	7,295
Loss on disposal of PP&E	-	32,870	-	-
Write off	-	618	-	-
Amortization of intangible assets	6,927	32,456	-	-
Increase in fair value of Investment Properties	-	(93,400)	-	(93,400)
Dividend Income on equity securities	-	(368,000)	-	(368,000)
Finance cost	3,334,299	9,578,890	919,345	3,455,477
Finance income (Note 26)	(455,883)	(499,463)	(416,850)	(1,585,564)
Foreign exchange loss/ (gain)	(277,829)	2,804,880	-	102
Changes in working capital:				
(Increase) / decrease in trade, other receivables and prepayment	(4,561,994)	(2,073,784)	339,324	(4,721,932)
Decrease / (Increase) in inventories	114,546	(165,304)	-	-
Increase/(decrease) in trade and other payables	14,971,477	2,422,138	192,293	(3,412,821)
Net cash generated from/(used in) operations	<u>16,605,034</u>	<u>37,672,366</u>	<u>1,188,377</u>	<u>(1,013,326)</u>

30 Contingent liabilities

There was no material litigation in the ordinary course of business as at the balance sheet date. The directors are of the opinion that all known liabilities which are relevant in assessing the state of affairs of the Company have been taken into consideration in the preparation of these financial statements.

31 Subsequent events

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