Transcorp Hotels

EXCEEDING PERFORMANCE

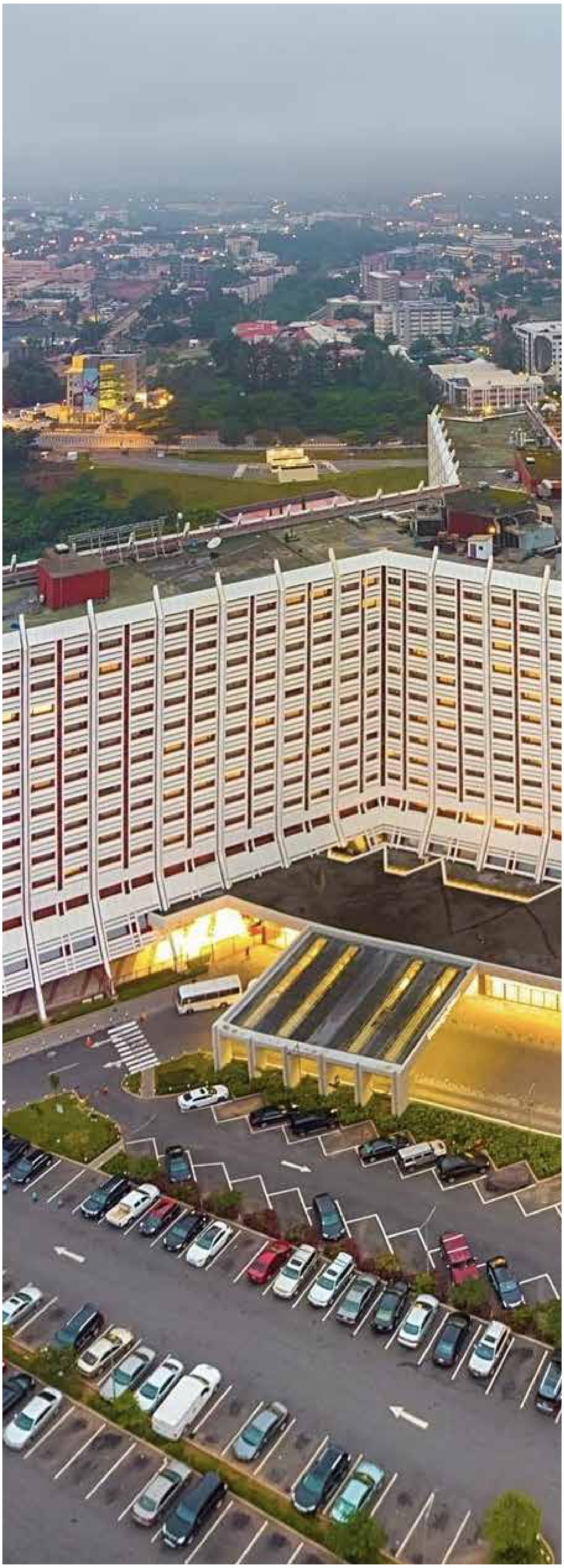
ANNUAL REPORT


World Travel Awards 2019

Inside...

01

OVERVIEW



Company Overview

About Transcorp Hotels Plc

Transcorp Hotels Plc is the hospitality subsidiary of Transnational Corporation Plc (Transcorp Group), one of Africa's leading listed companies with strategic investments in the power, hospitality and energy sectors. Transcorp Hotels Plc is redefining hospitality standards in Africa through its businesses, including the iconic Transcorp Hilton, Nigeria's flagship hospitality destination and digital platform, Aura by Transcorp Hotels.

An Industry Leader

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

We continue to achieve excellence within the hospitality industry, with clear strategies that positions the Company as a key industry player on the continent.

5,000+
Keys

30+
Cities

3
Brands

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

Our Philosophy

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

Africapitalism is a call to action for businesses to promote development in communities and nations they operate in, which will ultimately help businesses become more profitable, provide a healthy and educated workforce and create entrepreneurs who become suppliers and service providers.

History and Events

1987 Began operations as NICON Hilton Hotel Abuja

1994 Acquisition of NICON Hilton Hotel Abuja by NIRMSCO Properties Limited ("NIRMSCO")

2003 Hosted Commonwealth games

2005 Transcorp Plc purchased majority stake in NIRMSCO

2007 NIRMSCO was renamed Transnational Hotels & Tourism Services Limited ("THTSL"). THTSL renewed partnership with Hiltons Worldwide Inc.

2011 THTSL purchased a majority stake in Metropolitan Hotels & Conferencing Limited, which owned Metropolitan Hotel Calabar

2013 Transcorp Plc via a rights issue, increased its stake in Transcorp Hotels Plc

2014 Hosted World Economic Forum for the 1st time. THTSL was rebranded as Transcorp Hotels Plc and listed its shares on the NSE via an IPO

2015 Commenced total upgrade of existing hotel in Abuja. Hosted the inauguration of the presiding officers of the 8th Senate and National Assembly.

2016 Turnaround of Transcorp Hotels Calabar from loss-making to profitability.

2017 Achieved landmark 30th anniversary of Transcorp Hilton

2018 First hotel in Nigeria to launch the "ICE app"- A digital solutions application enables guests to interact with the hotel

2019 Received the Certificate of Discharge from the National Council on Privatisation (NCP) Completion of the over $100million upgrade of Transcorp Hilton Abuja

2021 Aura by Transcorp Hotels was launched.

2024 Transcorp Hotels Plc divested 100% of its shares from Transcorp Hotels Calabar

Mission

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

Vision

To be Africa's leading hospitality brand

Core Values

Our values drive us towards a common sense of purpose to create long-lasting value for our stakeholders. These values which are deeply rooted in our employees are the bedrock of our business beliefs, practices, culture and philosophies, that have been tested and proven over time to bring out the best in us.

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

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

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

Our Brands

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

Transcorp Hilton Abuja

Transcorp Hilton Abuja is one of the largest hotels in Sub-Saharan Africa, with 670+ rooms, providing 5-star hospitality, leisure and entertainment facilities targeted at individuals and corporate bodies with a taste for luxury and upscale products.

The hotel has 10 floors for guest room accommodation, two mezzanine floors for meeting rooms and offices and a ground floor with shops, a standard-sized swimming pool with nearby children's pool as well as foods and beverages outlets namely:

- Fulani Pool Bar and Grill
- Pastry Corner
- Piano Lounge
- Lobby Bar
- Executive Lounge on the 10th floor
- Bukka Restaurant for African & Intercontinental Buffet
- Zuma Grill for fine dining

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

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

- A private bath
- Individually controlled air-conditioning
- Mini bar
- Direct telephones with voice mail
- Radio, interactive and satellite tv
- Electronic in-room safe
- Tea/coffee making facilities
- High-speed internet access
- Non-smoking rooms
- And rooms for people with special needs.

The hotel provides a large selection of recreational activities such as:

- Three tennis courts
- Three air-conditioned squash courts with a glass back
- Badminton, basketball and volleyball courts
- A mini-golf course
- Children's playground
- Fitness center equipped with modern cardio and strength training equipment
- A hexagonal outdoor swimming pool
- A children's wading pool
- And an aerobics studio

Other hotel services include a spa and beauty salon, shopping arcade, parking facilities, babysitting services (on request), hot desks and private offices, express laundry and dry-cleaning services, international and local airline desks, handicraft village and casino.

Transcorp Hilton Abuja is a member of the Hilton family of brands, one of the best-known hotel brands in the world. For more than 100 years, the Hilton brand has been synonymous with excellence in the hospitality industry and in line with its excellent pedigree, Transcorp Hilton Abuja has remained a leader within Sub-Saharan Africa for over three decades.

Transcorp Hotels Calabar

With a fresh, relaxed, contemporary style inspired by the scenic beauty of Calabar, Transcorp Hotels Calabar remains the city's most welcoming hotel, a reputation built over 43 years. The property is conveniently located in the heart of Cross River's capital city, Calabar, placing guests at the centre of everything, from business to numerous tourist attractions.

Over the years, Transcorp Hotels Calabar has established a name for itself as Calabar's premier destination hotel, providing premium hospitality services to guests, while reflecting the rich culture and history of the region, creating unforgettable experiences for discerning travelers.

The hotel has 130 rooms and suites which are tastefully designed and carefully fitted for a comfortable business and recreational experience.

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

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

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

130	88	43+
Rooms	Room Service	Years of Reputation

Transcorp Hotels Plc divested its 100% interest in Transcorp Hotels Calabar Limited to Eco Travels and Tours Limited, an indigenous hospitality company, with commitment to showcasing Nigeria's rich cultural heritage and vibrant hospitality.

Aura by Transcorp Hotels

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

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

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

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

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

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

4,000	88	490	130+
Rooms	Hotels	Apartments	Experiences

Hosts are the Core

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

We enable Hosts to provide guests access to unique homes and experiences. From Hosts who list individually-owned homes through others who run property management businesses, hotels or other hospitality businesses our platform provides the opportunity to showcase their amazing properties and reach out to a broad range of clientele.

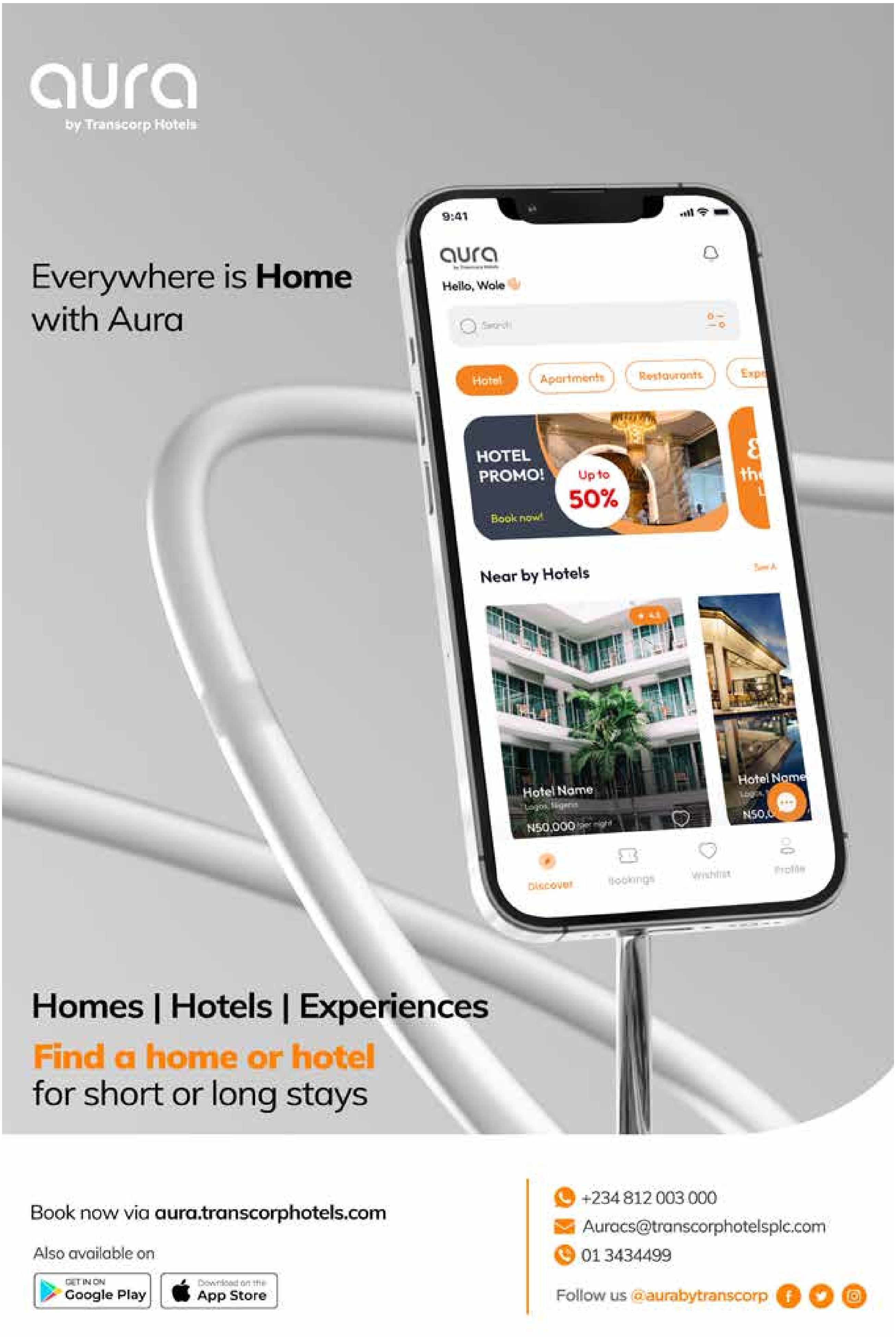
Guests are Us

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

RESULT AT A GLANCE

For the year ended 31 December	Group 2023 N'Million	Group 2022 N'Million	± %
Revenue	41,456	30,439	+36%
Cost of Sales	(11,670)	(8,702)	-34%
Gross Profit	29,786	21,737	+37%
Operating Expenses (Net)	(16,641)	(12,971)	-28%
Finance Cost (Net)	(3,662)	(4,133)	+11%
Profit Before Tax	9,482	4,634	+105%
Profit for the year from continuing operations	6,254	2,862	+119%
Loss for the year from discontinued operations	(161)	(245)	+34%
Profit for the year	6,093	2,618	+133%
As at 31 December			
Non-Current Assets	108,254	110,405	-2%
Current Assets	17,841	10,082	+77%
Total Assets	**126,095**	**120,487**	**+5%**
Share Capital	5,121	5,121	0%
Shareholders Fund	66,796	62,790	+6%
Number of Employees	1,221	1,163	+5%

For the year ended 31 December	Company 2023 N'Million	Company 2022 N'Million	± %
Revenue	41,438	30,433	+36%
Cost of Sales	(11,670)	(8,702)	-34%
Gross Profit	29,768	21,731	+37%
Operating Expenses (Net)	(17,310)	(12,772)	-36%
Finance Cost (Net)	(3,635)	(4,108)	+12%
Profit Before Tax	8,823	4,851	+82%
Profit for the year	5,595	3,080	+82%
As at 31 December			
Non-Current Assets	105,493	107,455	-2%
Current Assets	17,528	10,462	+68%
Total Assets	**123,021**	**117,917**	**+4%**
Share Capital	5,121	5,121	0%
Shareholders Fund	66,557	63,049	+6%
Number of Employees	1,215	1,155	+5%
Per Share data			
Earnings per share (Kobo)	55	30	+83%
Net assets per share (Kobo)	650	616	+6%


aura
by Transcorp Hotels
Everywhere is Home with Aura
Hello, Wole
Hotel
Apartments
Restaurants
HOTEL PROMO!
Up to 50%
Book now!
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Hotel Name
N50,000
Discover
Bookings
Wishlist
Profile
Homes | Hotels | Experiences
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for short or long stays
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01 3434499
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OFFICERS AND PROFESSIONAL ADVISERS

Directors:	
Mr. Emmanuel Nnorom	Chairman
Mrs. Dupe Olusola	Managing Director/Chief Executive Officer
Dr. (Mrs.) Owen D. Omogiafo, OON	Non-Executive Director
Mr. Peter Elumelu	Non-Executive Director
Ms. Bolanle Onagoruwa	Independent Non-Executive Director
Alhaji Garba Abubakar	Independent Non-Executive Director (Appointed 30 October 2023)
Ms. Adesimbo Ukiri	Non-Executive Director (Appointed 30 October 2023)
Dr. (Mrs.) Oluwatoyin S. Madein	Non-Executive Director (Appointed 5 March 2024)
Mr. Alex Okoh	Non-Executive Director (Resigned 27 July 2023)
Mrs. Helen Iwuchukwu	Non-Executive Director (Resigned 27 July 2023)
Mr. Alexander Adeyemi	Non-Executive Director (Resigned 9 January 2023)
Mr. Udechukwu Obi Osakwe	Non-Executive Director (Resigned 21 November 2023)
Group Company Secretary:	Mr. Stanley Chikwendu
Registered Office:	1 Aguiyi Ironsi Street, Maitama Federal Capital Territory Abuja, Nigeria.
Holding Company:	Transnational Corporation Plc.
Registration Number:	RC 248514
Tax Identification Number:	04259425-0001
Registrars:	**Africa Prudential Plc** 220B Ikorodu Road Palmgrove, Lagos.
Principal Banker:	**United Bank for Africa Plc** UBA House 57 Marina, Lagos Nigeria.
Auditors:	**Deloitte & Touche** Chartered Accountants Civic Towers, Plot GA 1 Ozumba Mbadiwe Avenue Victoria Island, Lagos Nigeria.
Investors Relations Manager:	Mrs. Oluwatobiloba Ojediran investorrelations@transcorphotelsplc.com
Investors Relations Portal:	https://www.transcorphotels.com/investor-relations/

BOARD OF DIRECTORS

Emmanuel N. Nnorom
Chairman

Dupe Olusola
Managing Director / CEO

Owen D. Omogiafo
Non-Executive Director

Oluwatoyin Madein
Non-Executive Director

Peter Elumelu
Non-Executive Director

Bolanle Onagoruwa
Independent
Non-Executive Director

Adesimbo Ukiri
Non-Executive Director

Garba Abubakar
Independent Non-Executive
Director

PROFILE OF DIRECTORS

Emmanuel N. Nnorom
Chairman
(Appointed to the Board in January 2014)

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

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

Emmanuel is a Chartered Accountant with over four decades of professional experience in the corporate and financial sectors, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College, a Fellow of the Institute of Chartered Accountants of Nigeria (ICAN), and the Chartered Institute of Bankers of Nigeria (CIBN) and a prize winner at the 1982 qualifying examination of the Institute of Chartered Accountants of Nigeria.

Dupe Olusola
Managing Director/CEO
(Appointed to the Board in March 2020)

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

Prior to joining Transcorp Hotels, Dupe was the Group Head, Marketing for United Bank for Africa Plc, responsible for the Company's marketing in 20 African countries, US, UK, and France. At UBA, she had earlier served as the Group Head Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS).

Dupe is a thoroughbred professional with a degree in Economics from the University of Leicester, United Kingdom, and an M.Sc. in Development Economics from the University of Kent. She is also Prince 2, PMP and Investor Management Certified (all UK). In 2023, Dupe was named CEO of the Year by the Seven Stars Luxury Hospitality and Lifestyle Awards, and Nigeria's Leadership Newspaper. She is the first woman to be the CEO of a publicly quoted company on the Nigerian Exchange with market capitalisation of ₦1 trillion.

Owen D. Omogiafo
Non-Executive Director
(Appointed to the Board in January 2019)

Oluwatoyin Madein
Non-Executive Director
(Appointed to the Board in March 2024)

Dr. (Mrs.) Owen D. Omogiafo OON is the President and Group CEO of Transnational Corporation Plc (Transcorp). Transcorp is Nigeria's largest listed diversified conglomerate with strategic investments in the Hospitality, Oil & Gas and Power sectors. Transcorp is the owner of the iconic Transcorp Hilton Abuja and through its power plants in Delta State and Rivers State, accounts for about 18% of Nigeria's power generation capacity.

Prior to becoming the President/Group CEO of Transcorp Plc, Owen was the MD/CEO of Transcorp Hotels Plc, where she drove the completion of the $132m renovation of the Transcorp Hilton Abuja. Owen is the first female and youngest person to hold these positions.

Owen holds a B.Sc. (Double Honours) in Sociology &Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics & Political Science, and an Honorary Doctorate Degree in Engineering from the Federal University of Petroleum Resources Effurun. In 2023, she received another Honorary Doctorate in Business Management from Edo State University. She is also an alumnus of the Lagos Business School and IESE Business School in Spain. Owen is a member of the Chartered Institute for Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, and a member of the Chartered Institute of Personnel Management, Nigeria.

Dr Oluwatoyin Madein represents the interest of one of the Company's significant shareholders, the Ministry of Finance Incorporated, on the Board. Dr Madein is currently the Accountant-General of the Federation and has served variously as Assistant Director, Deputy Director and Director, Finance and Account in the Federal Civil Service.

She is an alumnus of Walden University, USA, where she obtained her PhD in Management (Finance). She also obtained an MBA from Ogun State University.

Dr Madein holds the Fellowship of various professional bodies, including the Association of Chartered and Certified Accountants, UK, Institute of Chartered Accountants of Nigeria, and the Association of National Accountants of Nigeria, among others.

Peter Elumelu
Non-Executive Director
(Appointed to the Board in November 2014)

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

Mr. Peter Elumelu is an astute businessman with over 3 decades of professional experience cutting across the private and public sectors of the economy. He currently sits on the Board of several companies including Africa Prudential Plc., and Pet Jibson & Company Limited, where he is the Chairman/CEO.

Prior to his appointment, Peter was the Chairman, Board of Directors of Delta State Urban Water Board, Asaba.

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

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

Bolanle's diverse experience spans across commercial legal practice with Bentley, Edu and Co, Legal Counsel with Nigerian Industrial Development Bank, and Company Secretary/Legal Adviser and Abuja Branch Head of Midas Merchant Bank. Thereafter, she joined the Bureau of Public Enterprises (BPE), where she contributed immensely to the public sector reform and privatisation in Nigeria during her12-year service.

She served as Secretary Social Development, and Secretary Education in the Federal Capital Territory Administration before eventually retiring as the Director-General of BPE in 2012. She is currently Group Managing Director, ENL Consortium Limited (Abuja and Southwest Operations).

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

Adesimbo Ukiri
Non-Executive Director
(Appointed to the Board in October 2023)

Garba Abubakar
Independent Non-Executive Director
(Appointed to the Board in October 2023)

Adesimbo Ukiri is the pioneer Managing Director and Chief Executive Officer of Avon Healthcare Ltd (Avon HMO). She possesses a wealth of professional experience spanning over 30 years and is also currently the Sector Head of the healthcare companies within the Heirs Holding Group.

A trained lawyer, Adesimbo is a Sloan Fellow of London Business School, where she obtained an MSc in Management, specialising in Strategy and Leadership. She holds an LLB from Obafemi Awolowo University and was called to the Nigerian bar in 1991. Her professional experience straddles diverse sectors – Financial services (Crystal Bank, now UBA PLC), Oil & Gas Exploration and Services (Amber Resources, BG Group - Consulting), FMCG (Guinness Nigeria PLC), Telecommunications (Econet, V-Mobile, now Airtel) and Healthcare (Hygeia HMO).

Adesimbo serves on the Board of Heirs Life Assurance Ltd as a Non-Executive Director and is also a member of the Technology and Data Committee of the Tony Elumelu Foundation.

Alhaji Garba Abubakar is a lawyer with more than 34 years of experience in the corporate world, including a 19-year tenure at the Corporate Affairs Commission, where he held various pivotal positions, such as Director of Compliance, Special Adviser to the Registrar General, and Deputy Director of Compliance.

A distinguished alumnus of Ahmadu Bello University, Zaria, Mr. Abubakar holds a degree in Law and was called to the Nigerian Bar in 1989. He is an esteemed member of the Nigerian Bar Association, Chartered Institute of Mediators and Conciliators, Member of the Institute of Directors (IOD), Associate Member of the Chartered Institute of Taxation of Nigeria (CIIN), Fellow of the Compliance Institute of Nigeria (CIN) and Fellow, Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN).

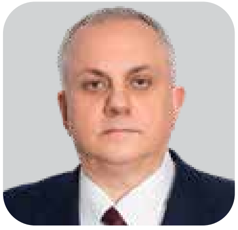
EXECUTIVE MANAGEMENT TEAM

Dupe Olusola
Managing Director/CEO

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

Prior to joining Transcorp Hotels Plc, Dupe was the Group Head, Marketing for United Bank for Africa Plc. In UBA, she also served as the Group Head Embassies, Multilaterals and Development Organizations (EMDOs) and Global Investors Services (GIS). Before joining UBA, Dupe had a distinguished career as the Managing Director/CEO of Teragro Commodities Limited (an indigenous agricultural company) where she spearheaded a partnership with Coca-Cola to produce Five Alive Pulpy Orange Juice, making Teragro the sole local material source for the juice in Nigeria. Under Dupe's leadership, Transcorp Hotels Plc and its subsidiaries have won over 30 awards reinforcing their impact and excellence.

Dupe studied Economics at the University of Leicester. United Kingdom and obtained her M.A. in Development Economics from the University of Kent. She is also Prince 2, PMP and Investor Management Certified (all UK). Dupe has been recognised as one of the most influential women in African Hospitality and one of the most impactful CEOs in Nigeria. She sits on the Advisory Board of the African Hotel Investment Forum (AHIF).



Bulent Tarlan
General Manager,
Transcorp Hilton Abuja

Bulent is the General Manager for Transcorp Hilton, Abuja, he joined the team in May 2022.

He has held various General Manager and Cluster General Manager position within Hilton worldwide and has worked for more than 15 years.

He has always been an active part of the community and volunteers for local organizations and charities, keeping in line with Hilton's overall service culture and giving back philosophy.

Has a degree in Economics from the University of Istanbul in 1985. Prior to joining, he was general manager of Hilton Istanbul Bomonti Hotel and Conference center since 2016.

Islam El Maddah

Hotel Manager, Transcorp Hilton Abuja

Islam is the Hotel Manager at Transcorp Hilton Abuja. Having joined the hotel as Commercial Director in 2019, Islam played an integral part in the hotel's impressive post-COVID recovery and the operational excellence the hotel has continued to sustain.

Prior to joining Transcorp Hilton Abuja, Islam was Cluster Revenue Manager at Jeddah Hilton and Waldorf Astoria Jeddah, Saudi Arabia. He has also worked as Revenue Manager at Madinah Hilton and has Cluster Revenue Manager at Hilton Dabab, Egypt.

Islam has a Bachelor's Degree in Islamic Archeology.

Chris Odor

General Manager,
Transcorp Hotels Calabar

Chris Odor is the General Manager for Transcorp Hotels Calabar Limited. He is an astute professional in the hospitality industry with over 19 years experience and deep knowledge of hotel financial operations, administration and executive management.

Prior to joining Transcorp Hotels Calabar, he was the General Manager of Westwood Hotels Ikoyi responsible for the daily operations of the hotel. He pioneered the opening of Westwood hotel Ikoyi formerly known as Protea Westwood hotel Ikoyi, as the first Nigerian Manager.

Chris also worked with Travel House Hotels as hotel accountant and became the Hotel Manager. In this capacity, he established food and beverage department, supervised the furnishing, staffing and completion of the building project in 2015.

Chris holds a HND in Finance and Accounting from Yaba College of Technology.

Stanley Chikwendu

Company Secretary & Legal Counsel

Stanley is a distinguished legal and corporate governance professional, with experience across diverse sectors including financial services, power, hospitality and real estate.

Before joining the Transcorp Group, he was Company Secretary and Head of Legal at Heirs Life Assurance Limited, a member of the Heirs Holdings Group. He also served as Company Secretary and Head of Legal and Corporate Services at both Law Union & Rock Insurance Plc, and Tangerine General Insurance Limited.

Stanley is an alumnus of the University of Ibadan, Nigeria, the University of Leicester, England, and the Lagos Business School. He is a Chartered Secretary, and a member of the Nigerian Bar Association, International Bar Association, and Association of Corporate Counsel.

Oluwatobiloba Ojediran

Chief Finance Officer

Oluwatobiloba is the Chief Finance Officer (CFO) of Transcorp Hotels Plc.

She has over 15 years diverse experience in strategy, operational and financial management, audit, corporate reporting, financial modelling, and project management.

Prior to Transcorp Hotels Plc., Oluwatobiloba served as Financial Auditor under the Growth & Employment (GEM), a World Bank-funded project. Before joining the GEM project, she was Finance Manager at Intercontinental Hotel Lagos, a member of the international hotel chain IHG Hotels & Resorts.

Prior to Intercontinental Hotel, Oluwatobiloba had a brief consultancy career where she provided Corporate Accounting services, Quality Assurance, and Reporting services to various small and medium scale firms.

Her career began at KPMG Professional Services, where she rose to the position of Audit Senior, providing accounting, audit and advisory services to clients in a variety of industries.

Oluwatobiloba earned a degree (B.Sc.) in Mathematics and Statistics from the University of Lagos. She is a member of the Institute of Chartered Accountants of Nigeria (ICAN) and an alumnus of the Lagos Business School's Senior Management Programme (SMP, 2022).

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Segun Oduwole

Head, Business Development & Operations

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

Prior to joining Transcorp Hotels Plc, Segun served as the Senior Business Efficiency Manager for Nigerian Bottling Company Ltd (CCHBC), where he was instrumental to the formulation and implementation of key strategies across the business. Prior to this role, he was the Business Performance Manager for the company.

Before his work at Nigerian Bottling Company Ltd, Segun was the Head, Non-Financial Services Business Advisory department at Nextzon Business Services Limited. He had also served as a Consultant at Index Consulting where he participated extensively in clients' engagements across Banking, Agriculture, Manufacturing and Oil & Gas.

Segun holds a bachelor's degree in Geography and a master's degree in Geographic Information Systems from the University of Ibadan.

He has undergone theoretical and practical training across Africa and Europe in Strategy, Performance Management, Process Improvement and Supply Chain.

Irene Nwankwo

Head, Internal Audit

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

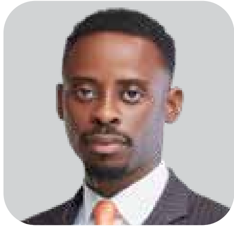
Prior to joining Transcorp Hotels Plc, Irene began her career as an Analyst in KPMG Professional Services, where she had risen to the position of Assistant Manager in the Internal Audit, Risk & Compliance Services Unit of the firm. She has over fifteen (15) years varied relevant experience in internal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

Irene earned a degree (B.Sc.) in Microbiology and Brewing from the Nnamdi Azikiwe University, Awka. She is a Certified Internal Auditor (CIA), Information Systems Auditor (CISA) and Financial Service Auditor (CFSA) as well as Cert.IFRS. She is a seasoned consultant on corporate governance best practice having been certified by the Institute for International Research (IIR) in conjunction with the George Washington University School of Business on Corporate Governance Best Practices.

She is also an Associate of the Institute of Directors (IoD) Nigeria, a faculty and Board member of the Institute of Internal Auditors (IIA) Nigeria chapter, a member of Information Systems Audit and Control Association (ISACA) and the Association of Chartered Certified Accountants (ACCA).

Oyetoun Oseni

Head, Human Resources



Niyi Aderibigbe

Head, Marketing & Corporate Communications

Oyetoun is seasoned HR Practitioner who joined Transcorp Hotels Plc in September 2022 as Head, Human Resources. Prior to joining Transcorp Hotels Plc, Oyetoun worked at the Nigerian Bottling Company Ltd, (CCHBC). She has held various positions in her career, such as Assistant Human Resources Manager, Plant Human Resources Manager, Region Human Resources Manager in the country, working to initiate and implement HR strategies organization development programs, employee engagement and ensuring employee relations intervention in different locations of the business.

Other roles included HR Expert in the transformation agenda program (2014), Digital Employee Platform Leader for HR and Public Affairs & Communications, leading the Nigerian HR team as Product Owner/Manager for HR solutions, Country Data Protection Coordinator.

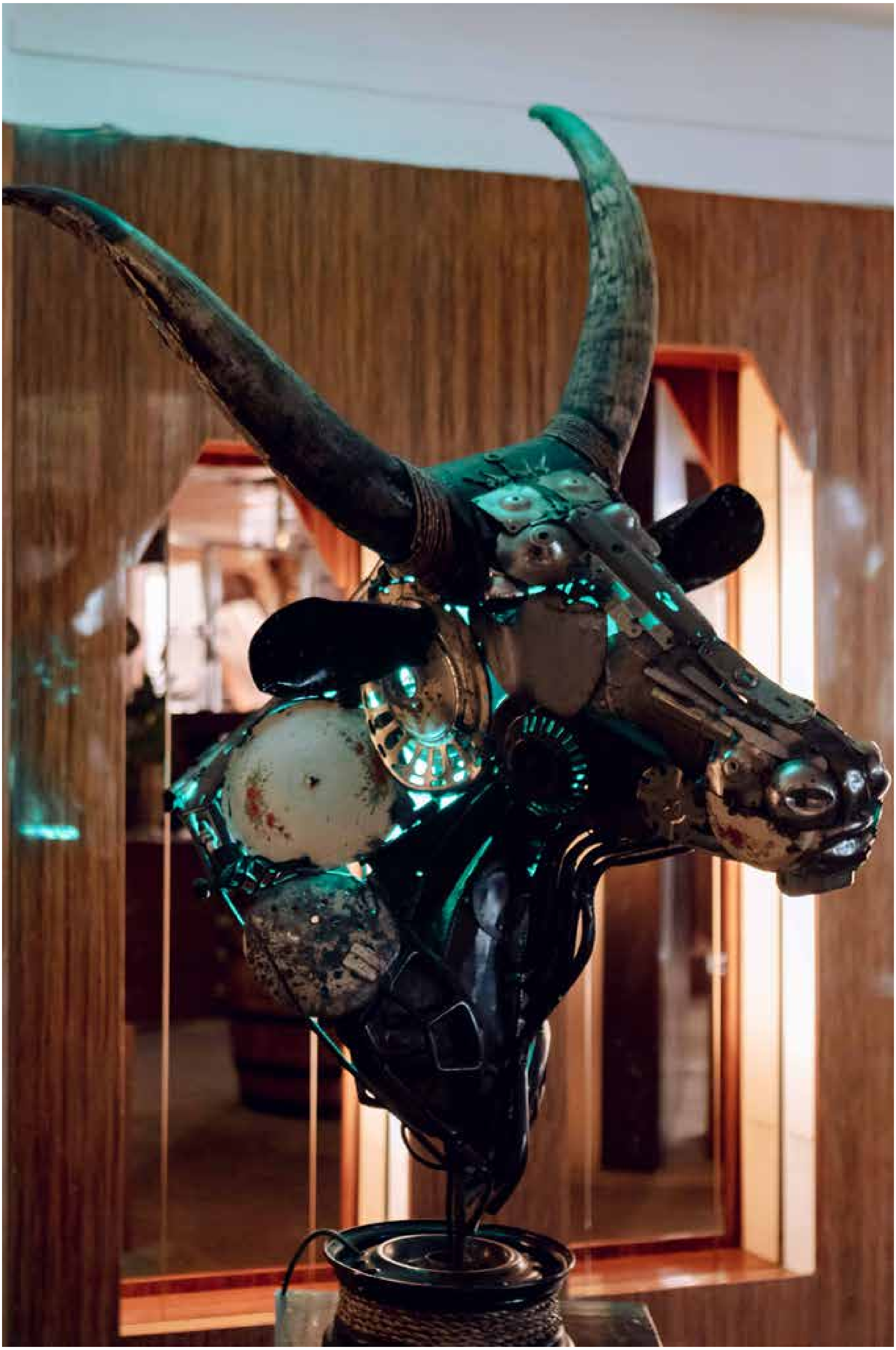
Prior to Nigerian Bottling Company, she had administrative practice with the Rajrab Pharmaceuticals, Ilorin and the Kwara Textile Industries.

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

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

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

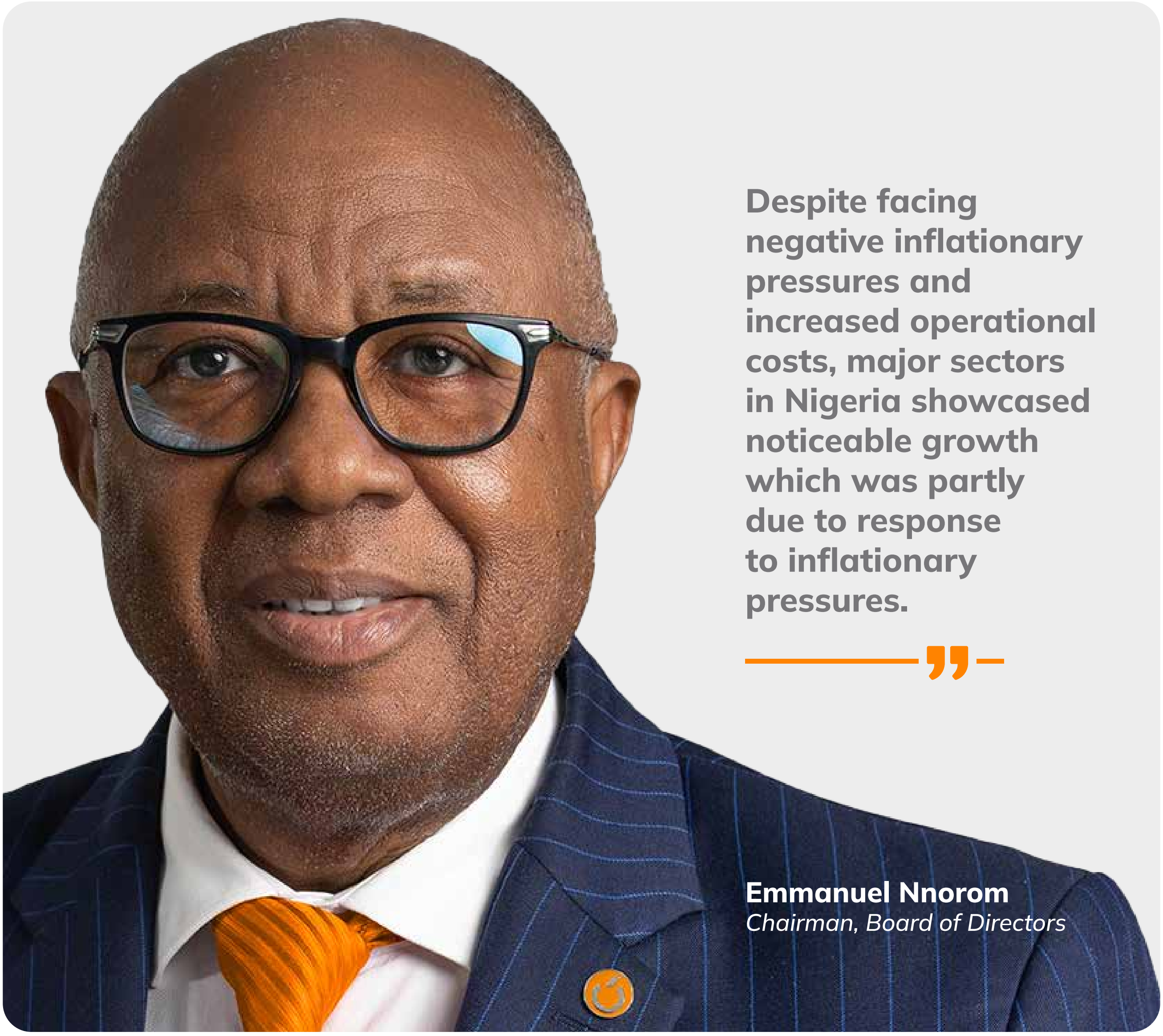
Niyi holds a Master's Degree in Environmental Biology and has Executive Training in Financial Journalism. He is a member of the Nigerian Institute of Public Relations and the National Institute of Marketing of Nigeria. In 2023, he was named one of the top 50 PR professionals in Nigeria.



02

BUSINESS REVIEW AND STRATEGY

CHAIRMAN'S STATEMENT



Emmanuel Nnorom
Chairman, Board of Directors

Distinguished shareholders,

I welcome you to the 10th Annual General Meeting of Transcorp Hotels Plc. I extend my warm appreciation to our esteemed shareholders for your unwavering trust in your company amidst the global economic intricacies and pivotal events in Nigeria.

I hereby present the annual report and financial statements, encapsulating the transformative journey through the challenges and dynamic shifts for the year ended December 31, 2023. This presentation reflects our collective resilience and adaptability.

The Nigerian landscape in 2023 was marked by pivotal events that significantly shaped the economic and political dynamics of the nation. Insecurity posed a formidable challenge, with various regions experiencing heightened tensions which not only affected the socio-political climate but also impacted business operations.

The national elections in February 2023 increased the stakes, creating an atmosphere of heightened political activity and uncertainty. Against this backdrop, the new President assumed office with a bold move to remove the fuel subsidy and float the exchange rate, signaling a major shift in economic policies. This decision had profound implications on local prices of foods and commodities including energy.

Additionally, the foreign exchange regime led to increased volatility in the short to medium term, adding another layer of complexity for businesses. Fluctuations in exchange rates and challenges in accessing foreign currency presented obstacles for companies engaged in international trade.

Despite facing negative inflationary pressures and increased operational costs, major sectors in Nigeria showcased noticeable growth which was partly due to response to inflationary pressures.

Transcorp Hotels Plc responded to these challenges with adaptive strategies, defining the corporate performance for the fiscal year 2023. The company navigated the complexities of the year, achieving remarkable results that surpassed previous years and exceeded set targets for 2023. The company's performance demonstrated resilience, adaptability and an unwavering commitment to delivering exceptional value to our stakeholders.

In presenting Transcorp Hotels Plc's Annual Report and Financial Statements for the fiscal year ending December 31, 2023, we encapsulate a year of adaptation, resilience and remarkable achievements. This report showcases our commitment to navigating the complexities of the global economic landscape and responding to the specific challenges posed by the Nigerian business landscape.

GLOBAL ECONOMY

Global economic activity experienced a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia's invasion of Ukraine all had significant impact in 2023.

The continued war in Ukraine upended the fragile global recovery, sparking a devastating humanitarian crisis in Europe, pushing up food and commodity prices, slowing growth globally and worsening the inflationary pressures worldwide. Geopolitical and economic uncertainties dampened investor and business confidence and further weakened short-term economic prospects. Against this backdrop, the world economy grew at a slower rate than initially projected.

In West Africa, performance on macroeconomic indicators was mixed, driven mainly by hikes in energy prices and food inflation.

Cabo Verde, Ghana, Guinea Bissau and Nigeria contributed the most to narrowing the region's fiscal deficit. Similarly, the current account deficit also narrowed across the region. Negative balances in resource-intensive economies—namely Burkina Faso, Ghana, Guinea and Nigeria—contributed the most to the region's external position. West Africa's average gross domestic product decelerated to 3.8% in 2023, down from 4.8% in 2022. The region's GDP growth outlook is positive, projected to pick up slightly, hitting 3.9% in 2023 and 4.2% in 2024.

The year witnessed a series of coups and a growing anti-French sentiment in West and Central Africa, carrying significant political and military repercussions for African governments and their global allies. The heightened political instability in some African Union (AU) countries poses a potential obstacle to advancing negotiations on protocols related to trade, investments and the African Continental Free Trade Area (AfCFTA).

Nigeria's economy grew by 2.5% year on year in real terms in the third quarter of 2023. This growth rate is higher than the 2.3% recorded in the third quarter of 2022 and higher than the second quarter of 2023 growth of 2.5%. Nigeria's Oil production also reached 1.45 million barrels per day, higher than the daily average production of 1.20 million barrels per day recorded in the same period in 2022. According to the NBS, the Non-oil sector accounted for nearly 95% of this GDP, signaling economic diversification and increased productivity amidst inflationary headwinds. A pickup in core inflation, reaching almost a 30-year high, highlighted that price pressures were farther-reaching than energy and food price increases.

BUSINESS ENVIRONMENT

To sustain our relevance within the dynamic landscape of the hospitality industry, we steadfastly engage in continuous evolution, perpetually attuned to the latest trends that define our sector. We actively incorporated cutting-edge marketing strategies and refined our hospitality processes to seamlessly integrate the most advanced technologies available.

The hospitality industry stands on the precipice of a transformative journey, driven by a confluence of factors that promise to reshape its landscape. Technological progress, evolving consumer preferences and an unwavering commitment to sustainability are among the key catalysts propelling this paradigm shift.

Foremost among the anticipated trends in the forthcoming year is the heightened emphasis on ***Green Initiatives and Sustainability***. The industry is poised to amplify its dedication to sustainable practices, exemplified by an increased focus on green initiatives and the promotion of locally sourced food. This strategic response aligns seamlessly with the escalating demand for eco-friendly options, marking a pivotal juncture in the industry's commitment to environmental responsibility.

Furthermore, ***the integration of cutting-edge technologies*** is set to reach unprecedented heights in 2024, as Artificial Intelligence (AI), Internet of Things (IoT), virtual reality (VR) and augmented reality (AR) become integral components of the hospitality experience. The advent of AI-powered chatbots and virtual assistants is anticipated to revolutionize customer service, elevating personalization to new heights and fostering enhanced guest interactions.

In recognizing the crucial role of its workforce, the industry is set to prioritize ***Workforce Empowerment and Flexibility***. Addressing labor shortages, ensuring staff satisfaction and cultivating operational resilience will be paramount objectives, positioning businesses to thrive in an environment that values the well-being and flexibility of its workforce.

A noteworthy trend expected to gain prominence is the emergence of ***Hybrid Spaces and Bleisure Travel***. In response to the evolving needs of modern travelers, the industry will witness the rise of spaces designed to seamlessly blend work and leisure, catering to the growing phenomenon of "bleisure" travel. This innovative approach recognizes and accommodates the blending of business and leisure activities in a dynamic and interconnected manner.

Hotels, in their quest for distinction, are anticipated to concentrate on crafting ***Personalized Guest Experiences***. Through the artful deployment of genuine narratives and the harnessing of storytelling, establishments aim to curate bespoke experiences that resonate uniquely with each guest, thereby enhancing overall satisfaction and loyalty.

Moreover, ***the stabilization of Travel Demand*** is expected to take center stage, as the industry shifts its focus towards fostering direct business growth and delivering exceptional guest experiences. This stabilization represents a strategic pivot towards ensuring sustained success in a rapidly changing market landscape.

In this dynamic environment, the ability to navigate change with agility and adaptability will emerge as a

defining characteristic of successful businesses. Those at the forefront of the industry will be distinguished by their capacity to quickly respond to market dynamics, demonstrating agility, flexibility and a keen readiness to leverage the latest tools and technologies.

As we delve into the nuances of the evolving hospitality landscape in 2024, these trends collectively illuminate a path towards a future defined by innovation, sustainability and an unwavering commitment to exceeding guest expectations.

OVERVIEW OF FINANCIAL PERFORMANCE

In the face of persistent inflationary pressures, heightened economic insecurity and the substantial costs associated with operations, Transcorp Hotels Plc. demonstrated remarkable resilience and concluded the financial year of 2023 strongly. The Group recorded an impressive gross revenue of ₦41.5 billion, showcasing a substantial growth trajectory that outpaced the previous year's revenue of ₦31.4 billion.

Your Company's stock price increased by 1022.9% from ₦6.25 on January 1, 2023, to close at ₦70.18 on December 31, 2023. This impressive growth led to Transcorp Hotels Plc being the best-performing stock on the Nigerian Exchange (NGX). With a price-to-earnings (P/E) ratio of 228.0x and price- to-sales (P/S) ratio of 26.5x, Transcorp Hotels Plc' share price growth was significantly higher than the hospitality industry average movement of 4.4% and the market average movement of 7.4%.

In addition to the company's growing fundamentals, including effective management and innovations, a key driver of our financial success has been our unwavering commitment to strategic financial management.

Despite the challenges posed by the prevailing economic climate, our meticulous financial planning and execution proved to be instrumental in mitigating the impact of external factors on our bottom line. This commitment is evident in the reduction of our finance costs throughout the year, reflecting our dedication to optimizing operational efficiency and cost-effectiveness. Navigating the uncertainties associated with foreign currency (FCY) volatility remained a pivotal focus for Transcorp Hotels Plc. in 2023.

Looking ahead, Transcorp Hotels Plc. remains dedicated to maintaining a resilient financial position, fostering strategic growth initiatives and fortifying our commitment to delivering long-term value to our stakeholders.

ACHIEVEMENTS AND AWARDS

In this 2023 Annual Report, we are proud to highlight the numerous awards and recognitions received by Transcorp Hotels Plc, its Managing Director/CEO and Transcorp Hilton Abuja.

Transcorp Hilton Abuja has also been the recipient of several prestigious awards, including:

1. World Luxury Hotel Award, 2023 Luxury Business Hotel - Africa
2. Best Luxury Hotel in Nigeria 2023, Seven Stars Luxury Hospitality & Lifestyle Awards
3. Best Luxury Business Hotel in Africa 2023, Seven Stars Luxury Hospitality & Lifestyle Awards
4. Africa's Leading Business Hotel, World Travel Awards 2023
5. Nigeria's Leading Business Hotel, World Travel Awards 2023
6. Nigeria's Leading City Hotel, World Travel Awards 2023
7. Nigeria's Leading Hotel, World Travel Awards 2023
8. Nigeria's Leading Hotel Suite, World Travel Awards 2023
9. Booking.com Traveller Review Awards 2023.

Transcorp Hotels Plc has also been honoured with several awards, such as:

1. Outstanding Hospitality Brand of the Year, Brand Communicator Awards 2023
2. Diversity Equity and Inclusion (DEI) Award, Hofstede Insights for the second consecutive year.
3. Outstanding Employer of the Year 2023, Trade Union Congress of Nigeria

The Managing Director/CEO, Dupe Olusola, has been recognized as the CEO of the Year by the Seven Stars Luxury Hospitality & Lifestyle Awards and Leadership Newspaper. Her visionary leadership and dedication to our core values have been instrumental in driving the success of Transcorp Hotels Plc.

In addition to these awards, Transcorp Hotels Plc has achieved several key milestones, including:

1. Being named the best performing stocks of the year, with a share price growth of over 1000% in 2023.

2. Maintaining the top spot as the number one hotel on Trip Advisor in terms of value for money.
3. Hosting more than 100 world leaders, including over 50 presidents during the inauguration of Nigeria's new president.
4. Achieving the NGX's free-float requirement for companies listed on the Exchange.

These accolades serve as a vivid reflection of the dedication and hard work of our team, embodying the core values that drive our success and also mirror our commitment to providing exceptional service, fostering a diverse and inclusive workplace and maintaining the highest standards of excellence in all our endeavors. We are proud of these achievements and look forward to continuing to uphold our core values in the years to come.

DIVIDEND

In line with our commitment to continuously maximize long-term value for our shareholders by accelerating growth, improving margins and allocating resources and capital prudently, I am pleased to announce that the Board recommends for the consideration and approval of shareholders at this meeting, a total of ₦ 2.05 billion or 20 kobo per ordinary share as final dividend.

CORPORATE GOVERNANCE

The steadfast commitment of your Company to upholding the utmost standards of Health, Safety, Security and Environment (HSSE) is key to our operational ethos. Our unwavering dedication extends to the principles of Corporate Governance, which form the bedrock of our organizational framework.

In the pursuit of fostering a workplace culture deeply ingrained in safety, we persistently endeavor to strengthen the fabric of our safety protocols, ensuring a robust and resilient foundation for all our operations.

In line with our commitment to creating a safe and secure working environment, we extend our engagement beyond our internal operations. Collaborating closely with contractors, guests and various stakeholders, we actively involve them in our ongoing efforts to cultivate and reinforce a culture of safety within the Company.

Through these collaborative initiatives, we aim to create a holistic and inclusive approach to safety that resonates throughout our extended network of associates. As a responsible corporate citizen, we recognize the broader impact of our operations on society and the environment.

Demonstrating our commitment to social responsibility, we have proactively contributed to environmental conservation, educational initiatives and skill development programs. These endeavors reflect our dedication to making a positive impact on the world around us.

OUTLOOK FOR 2024

As we delve into the economic landscape of Nigeria for the year 2024, a nuanced picture emerges, marked by a blend of modest growth, ongoing reform endeavors and prevailing challenges. According to the World Bank, the nation is poised for an average annual GDP growth rate of 3.5% from 2023 to 2026, with a specific projection of 3.7% for the year 2024. The International Monetary Fund (IMF) echoes this sentiment, forecasting a real GDP growth of 3.1%, accompanied by a consumer price inflation of 23.0% for the same period.

Crucial to the economic panorama in Nigeria are the ongoing reform efforts encompassing fiscal, monetary and foreign exchange policies. These initiatives are strategically crafted to curb inflation and achieve macroeconomic stabilization. The successful implementation of these reforms holds the key to enhancing Nigeria's growth potential. Notably, the anticipated moderate growth in 2024 is attributed, in large

part, to the government's reforms in the oil sector, a critical player in the nation's economic landscape.

Within the framework of our business operations, we are poised to strategically channel significant investments towards fostering innovation and enhancing cost efficiency. This comprehensive approach will encompass the integration of technology, aimed at fortifying our competitive edge within the industry through the implementation of sustainable and economically viable strategies.

Aligned with our core strategic priorities, which emphasize maximizing the utility of our existing assets and driving business expansion, we are steadfast in our commitment to fortify our market presence. In our unwavering pursuit of excellence, we remain dedicated to elevating service standards to new heights.

This commitment is underscored by our concurrent focus on both the completion of the Transcorp Events Centre in Abuja and the groundbreaking of our forthcoming Ikoyi Hotel. This strategic move is indicative of our proactive stance towards anticipating and meeting the evolving needs of our discerning clientele and remaining a clear leader within the hospitality space in Nigeria.

CONCLUSION

The accomplishments of the year 2023 stand as a testament to the collective efforts of our dedicated team and the unwavering support we have received from various quarters. Without the invaluable backing of stakeholders, including the Government, government agencies, suppliers, contractors, customers and especially our esteemed shareholders, such achievements would not have been possible. This moment calls for sincere gratitude to all those who have guided, supported and played a pivotal role in our success throughout the year.

In 2023, we demonstrated the immense potential that can be realized through collaboration with stakeholders and the effective utilization of our human resources and processes. Our ability to navigate challenges with resilience and innovation was critical to our success. As we step into the new year, our commitment remains unwavering. The team is motivated and dedicated to surpassing previous accomplishments and we are confident that, with your continued support, we will achieve our set goals in 2024.

I extend my heartfelt thanks to our loyal guests for their enduring patronage and loyalty. Rest assured, our commitment to delivering outstanding services persists, driven by our responsiveness to your evolving needs and priorities. We pledge to continually exceed your expectations and create positively memorable experiences in every interaction with us.

In closing, my gratitude extends to the distinguished Directors, Executive Management, Technical Partners, Hilton Worldwide and all employees of our company. On behalf of the Board, I express deep appreciation for the opportunity to serve you and the unwavering support we have received over the years.

To our esteemed shareholders, your steadfast support has been instrumental in propelling Transcorp Hotels Plc. toward becoming Africa's premier hospitality brand. Together, with our combined efforts, the journey of Our Company will undoubtedly ascend to even greater heights.
Thank you.

Emmanuel N. Nnorom
Chairman, Board of Directors


TranscorpHotels

CEO'S REPORT

Our enduring commitment to excellence stands as the cornerstone propelling us forward, ensuring our sustained success in the ever-evolving tapestry of the hospitality industry.

Dupe Olusola
Managing Director / CEO

Dear Shareholders,

It gives me great pleasure to present to you the summary of your company's business review and performance in this 2023 annual report and to welcome you to the milestone 10th Annual General Meeting of your company - Transcorp Hotels Plc. This occasion not only marks a decade of extraordinary achievements but also heralds the beginning of another promising chapter in our journey.

Indeed, 2023 was a record and inspiring year for us at Transcorp Hotels Plc. Our journey was fuelled by a steadfast dedication to surpass the remarkable achievements of the previous year. Our efforts were anchored on a commitment to excellence, innovation, and strategic growth, which was apparent in every initiative we undertook, further differentiating us internationally and locally. This resulted in a year that not only exceeded our expectations but also reinforced and solidified our position as the premier hospitality brand in Africa.

Performance-wise, the outcomes are clear and compelling. In 2023, we achieved a remarkable occupancy rate of 81%, alongside notable growth in both Average Daily Rate (ADR) and Revenue Per Available Room (RevPAR). This success was driven by our deliberate enhancements and investments across our portfolio, including the modernization of essential facilities and the launch of new features designed to elevate the overall guest experience.

In addition, we achieved another milestone and proudly announce that our shares ended the year as the best performing stock on the Nigerian Exchange, a testament to our robust performance and the trust bestowed upon us by our stakeholders.

However, the journey through 2023 was not without its challenges. We navigated a complex economic landscape, marked by supply chain disruptions, inflationary pressures, and FX volatility. Yet, in the face of these hurdles, our resilience and adaptability shone brightly. Our proactive strategies and decisive actions enabled us to mitigate the impact of these external pressures, showcasing our team's exceptional capability to manage and thrive amid uncertainties.

Throughout 2023, our performance was a living testament to our core values of excellence, execution, and enterprise. Central to our success was our relentless pursuit of cost management and operational efficiency. By embracing alternative strategies and adaptive measures, we successfully navigated economic fluctuations, turning potential challenges into opportunities for growth and innovation. These strategic moves not only fortified our market position but also laid a strong foundation for sustainable growth.

Recognizing the crucial role of customer satisfaction, we dedicated ourselves to elevating guest experience, reinforcing our position as the hospitality leader. Our focus on customer-centricity ensured the continued loyalty of our guests and attracted new patrons, driving occupancy and revenue growth.

Also pivotal to our success is the unwavering belief that our people are not just our strength—they are our superpower. In 2023, we launched a bold journey of transformation, rolling out innovative programs and initiatives including employee spotlight features, comprehensive welfare packages, and robust reward & recognition programs designed to elevate the work experience of our employees, positively impacting operations, and guaranteeing our employees remain even more focused on delivering excellent service to our guests.

Our dedication to creating an environment that fosters teamwork, celebrates individual achievements, and emphasizes the value of diversity, equity, and inclusion has never been stronger. It is with great pride that we share the strides we have made in nurturing a culture that not only inspires but also propels every member of our team to excel.

The results of our efforts are both heartening and affirming. Our engagement scores reflect a vibrant workplace atmosphere, and we have met our ambitious target for promoting talent from within—almost all our leadership positions are now held by individuals who have grown their careers with us. This achievement underscores our deep commitment to professional growth, career development, and the strategic planning that ensures our leaders of tomorrow are ready today. In every aspect, our focus on our people has been a journey of positive transformation, setting a new standard for what it means to be a truly people-first organization.

As we stand on the brink of a new era, we do so with the confidence that we will maximise all opportunities and deal with challenges as they come. Our continued dedication to excellence is the driving force that propels us forward, ensuring our growth and success in the dynamic world of hospitality.

INCOME STATEMENT

Revenue Overview

In the fiscal year ending 2023, Transcorp Hotels Plc. achieved a noteworthy milestone in revenue generation. The gross revenue for the year amounted to ₦41.5 billion, showcasing a substantial 36% growth over the preceding year. This performance can be attributed to the steadfast adherence to our core values which serve as guiding principles for all our endeavors. Additionally, our success was bolstered by the robust resurgence of the economy, heightened business activities during the electoral season, particularly surrounding the presidential elections in February 2023, and an increased influx in the International Business Travel and Leisure Segments. Notably, the revenue generated in 2023 marks an unprecedented peak, surpassing even the impressive record set in 2022.

Profit Analysis:

The gross profit for Transcorp Hotels Plc. in the financial year 2023 reached ₦29.8 billion, signifying a notable 37% upturn from the ₦21.7 billion generated in the previous fiscal year. This achievement is particularly commendable given the challenging economic conditions that impacted the company throughout 2023.

The implementation of proactive cost efficiency strategies and an unwavering focus on revenue generation played pivotal roles in delivering positive outcomes. Consequently, the Group attained a remarkable profit before tax performance of ₦9.5 billion in 2023, 105% higher than the ₦4.6 billion in 2022.

Demonstrating a commitment to financial prudence, a net profit margin of 15% was attained in 2023, showcasing an improvement of 6 basis points from the corresponding figure in 2022. This not only underscores our resilience in navigating economic challenges but also emphasizes our dedication to enhancing overall profitability.

STATEMENT OF FINANCIAL POSITION

Assets:

Within Transcorp Hotels' financial domain, the long-term assets span a diverse spectrum, with property, plant, and equipment commanding an impressive 99%, leaving the remaining 1% allocated to goodwill, intangibles, and other non-current assets. Notably, the strategic decision to divest the entire 100% stake in Transcorp Hotels Calabar adds a dynamic element to the overall asset portfolio. This move is particularly significant, underscoring the company's proactive approach to optimizing its asset structure for enhanced operational efficiency and strategic positioning in the market.

Liabilities:

The comprehensive breakdown of liabilities reveals a nuanced composition, with non-interest-bearing liabilities (NIBL) constituting 76% and interest-bearing liabilities (IBL) accounting for the remaining 24%. This intricate balance

of liabilities underscore the prudent financial management strategies employed by the company to maintain a harmonious equilibrium between interest-bearing and non-interest-bearing obligations. Such a balanced approach contributes to the overall financial resilience and stability of Transcorp Hotels in the ever-evolving business landscape.

AWARDS AND RECOGNITIONS

The array of awards we proudly secured in 2023 stands as a testament to the consistent high-level performance we maintained throughout the year. Each accolade is a symbolic validation of the exceptional service, innovation, and unwavering commitment to our core values that have been the hallmark of our brand. These laurels not only amplify our standing within the global and national arenas but also reflect the profound impact we have made within the highly competitive hospitality sector. They serve as a validation of the exceptional guest experiences we have consistently provided and our role in reshaping industry benchmarks.

Our flagship property, Transcorp Hilton, Abuja received the following awards:

- Luxury Business Hotel in Africa at the 2023 World Luxury Hotel Awards.
- Best Luxury Hotel in Nigeria 2023 at the Seven Stars Luxury Hospitality & Lifestyle Awards.
- Best Luxury Business Hotel in Africa 2023 by the Seven Stars Luxury Hospitality & Lifestyle Awards.
- Africa's Leading Business Hotel at the 2023 World Travel Awards.
- Nigeria's Leading Business Hotel at the 2023 World Travel Awards.
- Nigeria's Leading City Hotel and Nigeria's Leading Hotel at the 2023 World Travel Awards.
- Nigeria's Leading Hotel Suite at the 2023 World Travel Awards.
- Booking.com Traveller Review Awards 2023

In addition, the Transcorp Hotels Plc has received significant recognition, including:

- The title of Outstanding Hospitality Brand of the Year at the 2023 Brand Communicator Awards.
- Consecutive wins of the Diversity Equity and Inclusion (DEI) Award from Hofstede Insights.
- Recognition as the Outstanding Employer of the Year 2023 by the Trade Union Congress of Nigeria.

Furthermore, Transcorp Hotels Plc. reached some notable milestones, such as:

- Achieving the status of the best-performing stock of the year, with a remarkable share price growth exceeding 1000% in 2023.

- Maintaining its position as the number one hotel on Trip Advisor in terms of value for money.
- Hosting more than 100 world leaders, with over 50 of them present during the inauguration of Nigeria's new president.
- Meeting the NGX's free-float requirement for companies listed on the Exchange.

The global and national acclaim we received for setting new standards and pushing the boundaries of service excellence in 2023 solidifies our position as a trailblazer in the hospitality industry. As we acknowledge and celebrate these honors, they become a significant motivator, propelling our relentless drive for unmatched quality and innovation throughout our operations, further establishing Transcorp Hotels Plc. as a shining example of superior service in the hospitality space.

PROJECTS AND NEW BUSINESSES

Our unwavering commitment to advancing the hospitality sector in Nigeria underscores our dedication to enhancing our presence across the African continent. In pursuit of this goal, we are steadfastly engaged in the exploration of lucrative business adjacencies that align with our overarching vision for sustainable growth and prosperity. This commitment extends beyond mere rhetoric; it is a driving force behind the myriad projects and initiatives that we enthusiastically undertake. Through strategic partnerships, innovative ventures, and the deployment of cutting-edge technologies, we envision a future where our efforts result in a transformative impact on the hospitality sector. Our multifaceted approach ensures that we are not only pioneers in the industry but also catalysts for positive change and development.

By strategically focusing on the development of the hospitality industry in Nigeria, we aim not only to elevate our own organizational standing but also to contribute meaningfully to the broader economic landscape of the region.

- **Transcorp Event Centre, Abuja** - The Banquet Center, boasting an expansive seating capacity exceeding 3,000 to 5,000 individuals, is poised to become the preeminent venue for a myriad of grand events. This state-of-the-art facility is strategically designed to captivate and host an array of occasions, ranging from conferences and concerts to trade fairs, fashion shows, and more. Its establishment aims to address the prevailing challenge faced by Abuja – the limited availability of large-capacity halls, often compelling organizers to migrate events to other cities like Lagos.

  Anticipated to reach completion by the slated date of August 2024, the Banquet Center is destined to be a landmark in Abuja, providing a versatile and sophisticated space for hosting a diverse range of events on a grand scale.

- **Transcorp Hotels, Ikoyi Development** – Plans are currently in progress for the development of our upcoming Ikoyi Property, a groundbreaking project set to redefine luxury in the hospitality sector. Envisioned as a state-of-the-art 5-star hotel, this grand establishment will boast an impressive inventory of 315 meticulously designed rooms and cutting-edge conferencing facilities, setting a new standard for sophistication and convenience.

  Situated strategically in the bustling heart of Lagos, our Ikoyi Property holds the promise of becoming an iconic landmark in the city's skyline. The choice of location not only reflects our commitment to providing guests with unrivaled access to the vibrant energy of Lagos but also positions us strategically in the center of the action, making it an ideal destination for both business and leisure travelers. Estimated completion and launch is Q4, 2027.

STRATEGIC PRIORITIES FOR 2024

In charting our course for the year 2024, our primary focus revolves around strategically expanding our business, positioning it for not only immediate success but sustained and robust growth in the long term. A significant milestone in this trajectory is the upcoming inauguration of a state-of-the-art event center at Transcorp Hilton Abuja in 2024. This development highlights our focus on delivering top-tier services to our valued customers.

Concurrently, our efforts extend to the meticulous advancement of plans for the development of our property in the vibrant city of Ikoyi, Lagos. This expansion initiative reflects our forward-thinking approach and proactive stance in meeting the evolving needs of the market.

The revamp of Aura by Transcorp Hotels is a testament to our commitment to innovation in the hospitality sector. Aura 2.0 is not merely a rebrand but a dynamic force making remarkable strides, consistently surpassing expectations. With a diverse portfolio encompassing over 5,000 rooms distributed across various hotels and apartments nationwide, Aura by Transcorp Hotels has proven instrumental in facilitating our rapid geographical expansion. Its strategic presence has enabled us to reach locations that would have otherwise necessitated years of concerted effort.

Our steadfast commitment to long-term strategic imperatives remains unwavering. We pledge to continually leverage and maximize our assets, optimize operations for efficiency, and embrace aggressive cost-cutting measures to ensure sustained financial resilience. This holistic approach is firmly anchored in our dedication to four key pillars: Strategic Financial Management, Customer Growth and Satisfaction, Improving Business Processes & Efficiency, and Building Organizational Capacity, particularly in terms of enhancing human capital across all our diverse business verticals.

As we navigate the dynamic landscape of the hospitality industry, these strategic initiatives will serve as the guiding principles shaping our success in the year ahead and beyond.

CONCLUSION

As we reflect on the remarkable journey of Transcorp Hotels Plc over the past year, it is with immense pride and gratitude that I extend my heartfelt appreciation to the entire Transcorp Hotels family – our dedicated employees, esteemed Board, proficient Management, and committed shareholders. Together, we have built an incredible organisation and achieved extraordinary milestones that underscore the strength of our collective efforts and the power of collaboration.

The success we celebrate today is a testament to the unwavering commitment, innovative thinking, and exceptional teamwork that permeates every facet of our organization. I extend my deepest appreciation to our exceptional staff, whose dedication and hard work have been the cornerstone of our achievements. Together, we have weathered challenges, capitalized on opportunities, and emerged stronger and more resilient. Your collective contributions have been the driving force behind our accomplishments, and I am truly grateful for the spirit of unity that defines Transcorp Hotels.

Looking ahead to 2024, I am filled with confidence and optimism about the limitless possibilities that lie before us. As we build upon the foundation of our past successes, I have no doubt that the coming year will witness even greater accomplishments. With the continued dedication of our stakeholders, the ability to think beyond conventional boundaries, Transcorp Hotels is poised for another year of unprecedented success.

To our distinguished guests, cherished customers, and shareholders, I extend my sincere gratitude for your trust and continued patronage. Your loyalty has been the driving force behind our pursuit of the highest levels of service excellence. As we embark on the journey into 2024, we renew our commitment to being your brand of first choice in all matters related to hospitality. We look forward to creating unforgettable experiences and delivering unparalleled service that exceeds your expectations.

In closing, let us celebrate the triumphs of the past year and embrace the opportunities that await us in the future. Together, as one unified team, we will continue to elevate Transcorp Hotels Plc to new heights of success, breaking records and establishing new benchmarks for quality in the hospitality sector.

Thank you all for your continuing trust and exceptional contributions, and here is to a prosperous and promising 2024 for Transcorp Hotels Plc.

Thank you.

Dupe Olusola
Managing Director/CEO


TranscorpHotels
Here for the
moments
Create amazing moments that become memories; moments that touch your heart and soul.
+234(0)803 901 3000
1 Aguiyi Ironsi Street Maitama, Abuja
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03

CORPORATE GOVERNANCE


BUKKA

CORPORATE GOVERNANCE REPORT

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

1. Overview

During the year ended 31 December 2023, the Company complied with the provisions of the Code of Corporate Governance issued by the Financial Reporting Council (FRC) and the Securities & Exchange Commission (SEC), together with its Audit Regulation, the Guidelines by the Securities & Exchange Commission (SEC) and all applicable laws regulating corporate governance. The Board was of a sufficient size of seven (7) Directors, increasing the degree of objectivity to the Board in the control and direction of the Company's activities. Furthermore, the Board was effectively and efficiently supported by well-structured Board Committees, i.e., the Finance and Investment Committee and the Board Audit and Governance Committee, which provided adequate support to the Board. The Company further entrenched best practices in corporate governance by formulating new policies that will enhance performance, make the business more sustainable and uphold the Company's brand equity.

The policies updated and/or approved by the Board in 2023 were:

- Cost Management Policy
- Internal Control Framework
- Disciplinary Process and Sanctions Grid
- Marketing and Corporate Communications Policy
- Security Trading Policy
- Statutory Audit Committee Charter

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

Corporate Social Responsibility Framework

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

Whistleblowing Policy

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

Governance Framework

This framework explains the governance policies applicable to the Company's businesses. It provides for policy development and application, policy classification, review, and revision as well as policy deviations and guiding templates.

Board Governance and Board Committees Governance Charter

This Charter provides for the types of Committees, terms of reference, composition, functions, roles, responsibilities of the Board, each Committee, Non-executive Directors, CEO, executives, and Company Secretary. It also provides for tenor, meetings, quorum, proceedings, appointments, and the overall governance framework for the Board, Board Committees, and members. The functions and proceedings of the Statutory Audit Committee (SAC) are governed by the provisions of the Companies and Allied Matters Act, 2020 (CAMA).

Business Continuity and Disaster Recovery Policy

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

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

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

Sustainability Policy
This Policy covers the environmental governance and social dimensions of sustainability which Transcorp Hotels Plc recognises as part of good business and is applicable to all our organizational units and operational locations where 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, Vendor Engagement and Supplies, Safety, Health and Environment Management, Community Investment and Corporate Social Responsibility, Ethics and Whistleblowing.

2. Board of Directors

2.1 General

In the financial year 2023, the Board consisted of seven members made up of one (1) Executive Director (the CEO) and six (6) Non-Executive Directors, two of whom are Independent Directors as defined by the Nigerian Code of Corporate Governance.

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

The details of Directors' attendance at Board meetings are disclosed on page 46 of the Annual Report. The Board established formal delegations of authority, through its Empowerment Policy, and defines the limits of Management's power and authority, delegating to Management, certain powers to run the Company's day-to-day operations.

The Board is composed of highly accomplished and experienced men and women with diverse backgrounds from both the private and public sectors who are conversant with their oversight functions.

Board Appointment
The Board Governance Charter of the Company sets out the governance framework and the appointment of members to the Board. Directors are appointed on the recommendation of the Board Audit and Governance Committee in accordance with the Board and Board Committees' Governance Charter. In choosing Directors, the Company seeks individuals with very high integrity, a good image and reputation, shareholder orientation, no conflict of interest and a genuine interest in and commitment to the company.

Induction and Training process
The Company has a formal Induction Plan and procedure for newly appointed Directors, which is detailed in its Board Induction Policy. Newly appointed Directors undergo this induction programme to become knowledgeable about the business, its governance structure, 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, the positions of the Chairman of the Board and the Managing Director/CEO are separate and occupied by separate individuals.

2.2 Membership and Changes on the Board

There were some changes in the composition of the Board of the Company during the financial year under review. During the year 2023, there were four (4) exits from the Board, and three appointments, including 2 Non – Executive Directorships and an Independent Non-Executive Director.

The Board composition is as detailed below:

SN	Directors	Date appointed to the Board	Date(s) re-appointed/ re-elected	Comments	Tenure of service
1	Mr. Emmanuel N. Nnorom	January 2014	March 2017, April 28 2020, April 3, 2023	Chairman	10 years
2	Mrs. Dupe Olusola	March 25 2020	N/A	MD/CEO	4 years
3	Mrs. Owen D. Omogiafo	January 2019	April 4, 2022	BAGC Chairman	5 years
4	Mrs. Helen Iwuchukwu *	February 2020	October 22, 2020.	Non-Executive Director	4 years
5	Mr. Peter Elumelu	November 1, 2014	March 2017, April 2020, April 3, 2023	Non-Executive Director	9 years
6	Mr. Alex Okoh **	April 2017	April 26, 2021	Non-Executive Director	6 years
7	Ms. Bolanle Onagoruwa	December 17, 2021	N/A	Independent Non-Executive Director	2 years
8	Mr. Udechukwu Obi Osakwe ***	February 16, 2023	N/A	Non- Executive Director	10 months
9	Ms. Adesimbo Ukiri ****	October 30, 2023	N/A	Non- Executive Director	2 Months
10	Alhaji Garba Abubakar *****	October 30, 2023	N/A	Non-Executive Director	2 Months
11	Mr. Alexander Adeyemi ******	July 15, 2019	April 4, 2022	Non-Executive Director	3 years
12	Mr. Muyiwa Oduniyi	April 2020	N/A	Alternate Director to Mr Okoh	4 years

Board Meeting Attendance

The Board met five (5) times in 2023. The table below shows the frequency of meetings of the Board, and members attendance:

Directors	Total No. of Meetings obliged to attend	Total No. of Meetings Attended	Dates of Meetings Attended
Mr. Emmanuel N. Nnorom	5	5	16 February, 3 May, 27 July, 18 August, 21 November
Mrs. Dupe Olusola	5	5	16 February, 3 May, 27 July, 18 August, 21 November
Mrs. Owen D. Omogiafo	5	5	16 February, 3 May, 27 July, 18 August, 21 November
Mrs. Helen Iwuchukwu*	3	3	16 February, 3 May, 27 July
Mr. Peter Elumelu	5	5	16 February, 3 May, 27 July, 18 August, 21 November
Mr. Alex Okoh** (or Mr. Muyiwa Oduniyi)	3	3	16 February, 3 May, 27 July
Ms. Bolanle Onagoruwa	5	5	16 February, 3 May, 27 July, 18 August, 21 November
Mr. Udechukwu Obi Osakwe***	5	5	16 February, 3 May, 27 July, 18 August, 21 November
Ms. Adesimbo Ukiri ****	1	1	21 November
Alhaji Garba Abubakar*****	-	-	NA
Mr. Alexander Adeyemi******	-	-	NA

N/A means “Not applicable”

* Mrs. Helen Iwuchukwu resigned on July 27, 2023
** Mr. Alex Okoh resigned on July 27, 2023
*** Mr. Udechukwu Obi Osakwe resigned on November 21, 2023
***** Ms. Adesimbo Ukiri was appointed as Non-Executive Director on October 30, 2023.
***** Alhaji Garba Abubakar was appointed as an Independent Non-Executive Director on October 30, 2023.
****** Mr. Alexander Adeyemi resigned on January 9, 2023

The Directors to retire by rotation and offering themselves for re-election are Dr. Owen D. Omogiafo, OON and Ms. Bolanle Onagoruwa. Their profiles are on pages 17 - 20 of the Annual Report.

2.4 Board Committees

In accordance with the Board Governance Charter, the Company maintains a Board Audit and Governance Committee (BAGC) and a Finance and Investment Committee (FIC). In the year 2023, the Company conducted evaluation to assess the performances of the Board together with the Committees.

Board Audit & Governance Committee

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

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

The Committee also provided a written report to the Board on its proceedings and recommendations at the quarterly Board meetings of the Company.

During the year, the Committee was comprised of the following:

1. Mrs. Owen D. Omogiafo - Chairman
2. Mr. Peter Elumelu - Member
3. Mrs. Helen Iwuchukwu* - Member
4. Ms. Bolanle Onagoruwa - Member
5. Mr. Udechukwu Obi Osakwe** - Member

The BAGC met four (4) times in 2023

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended (dd/mm/yy)
Mrs. Owen D. Omogiafo	4	4	January 26, April 13, July 19, October 12
Mr. Peter Elumelu	4	4	January 26, April 13, July 19, October 12
Mrs. Helen Iwuchukwu*	3	3	January 26, April 13, July 19
Ms. Bolanle Onagoruwa	4	4	January 26, April 13, July 19, October 12
Mr. Udechukwu Obi Osakwe**	2	2	July 19, October 12

* Mrs Helen Iwuchukwu resigned from the Board on July 27 2023.
**Mr. Udechukwu Obi Osakwe was nominated to the BAGC on July 19, 2023.

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

b. Finance and Investment Committee

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

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

During the year, the Committee reviewed the Company's process of accepting credit facilities from financial institutions, Dividend proposal, quarterly financial statements, tax-related matters, funding requirements of operating businesses, budgets, earnings forecasts, risk management reports, progress on key investments, and more.

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

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

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

The FIC met four (4) times in 2023:

Directors	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended (dd/mm/yy)
Mr. Peter Elumelu	4	4	January 25, April 14, July 10, October 11
Mrs. Dupe Olusola	4	4	January 25, April 14, July 10, October 11
Mrs. Helen Iwuchukwu*	3	2	April 14, July 10
Mrs. Owen D. Omogiafo	4	4	January 25, April 14, July 10, October 11
Mr. Alex Okoh** (or Mr. Muyiwa Oduniyi)	3	3	January 25, April 14, July 10,

*Mrs Iwuchukwu resigned from the Board on July 27, 2023
**Alex Okoh resigned from the Board on July 27, 2023

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

c. The Statutory Audit Committee

The Company's Statutory Audit Committee (SAC) is empowered to, amongst other things; review the Company's financial reporting process, its system of audit, internal control, and management of financial risk with a view to ensuring compliance with statutory, regulatory and professional requirements.

The Committee, which also reviews the performance of external auditors to the Company, is chaired by a shareholder and has two other shareholders and two Directors as members. In addition to the powers conferred on the SAC by CAMA, the Committee is empowered to engage the services of independent consultants in the discharge of its duties.

The Committee was comprised of the following in 2023:

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

The SAC met four (4) times in 2023 as detailed below:

Members	Total no. of meetings obliged to attend	Total no. of meetings attended	Dates of meetings attended (dd/mm/yy)
Mr. Akaninyene Obot	4	4	February 16, May 3, July 27, November 21
Mr. Eric Akinduro	4	4	February 16, May 3, July 27, November 21
Mr. Erinfolami Gafar	4	3	February 16, May 3, July 27,
Mr. Peter Elumelu	4	4	February 16, May 3, July 27, November 21
Ms. Bolanle Onogoruwa	4	4	February 16, May 3, July 27, November 21

d. Executive Management Committee (formerly Executive Management Team)

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

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

3 Internal Control / Audit Committees

The Board, Management and staff of the Company take ownership and responsibility for protecting the Company against fraudulent transactions. However, the Internal Auditor is specifically entrusted with this responsibility of ensuring and promoting compliance with statutory and regulatory requirements, as well as with internal policies approved by the Board.

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

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

4 Relationship with Shareholders

The Company maintains continuous communication with its shareholders all year round. This enables them to understand our business, financial condition, operating performance and trends. Apart from our Annual Report, financial statements, market updates, regulatory disclosures, media statements and investor relations conferences and calls, the Company website provides information on a wide range of matters for all stakeholders and provides a complaints management procedure and whistleblowing process with anonymous feedback options.

5 Investor Relations

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

6 **Directors' Remuneration Policy**

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

Non-Executive Directors

Annual Fees & Allowances

Chairman earns ₦8,000,000 as Directors' fees annually
Non–Executive Directors earn ₦7,250,000 as Directors' fees annually
Various components of remuneration are payable quarterly, half-yearly or annually.

Board Meetings

Chairman earns ₦500,000 sitting allowance per meeting.
Non- Executive Directors earn ₦350,000 sitting allowances per meeting.
Transportation costs and hotel expenses are reimbursed where applicable.

Committee Meetings

Chairman earns ₦350,000 sitting allowance per meeting.
Non- Executive Directors earn ₦300,000 sitting allowances per meeting.
Transportation costs and hotel expenses are reimbursed where applicable.

Executive Directors

The remuneration policy for executive directors includes the following:

Fixed remuneration, taking into account the level of responsibility, and ensuring this remuneration is competitive with remuneration paid for equivalent 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 KPIs set and appraised annually by the Board.

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

The firm of Angela Aneke & Co. Limited performed the evaluation of the Board for the year ended December 31, 2023, in line with the requirements of the Financial Reporting Council ("FRC") Code of Corporate Governance (the "Code").

The statement by the external consultant on the Board and Corporate Governance evaluation are contained in pages 68 and 69 of the Annual Report and covers the summary of Board, Committees, individual Directors' and overall governance evaluation.

8. **Human Resource Policies and Internal Management Structure**

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

9. **Gender Diversity on the Board and Employment**

The Company maintains gender diversity at the Board level and in staff employment in order to have a fair and productive working environment. The Board is 62.5% female and the ratio of women to men in staff employment is 4:6.

10. **Auditor**

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

11. **Summary of Risk Management Framework**

This is contained in the risk management disclosures on Note 113 - 120 of the financial statement.

12. **Fines & Penalties**

The company did not pay any fine or penalty during the year under review.

13. Statement of Compliance

The Company carried out its Corporate Governance practices in line with the Nigerian Code of Corporate Governance 2018.

14. Complaints Management Policy

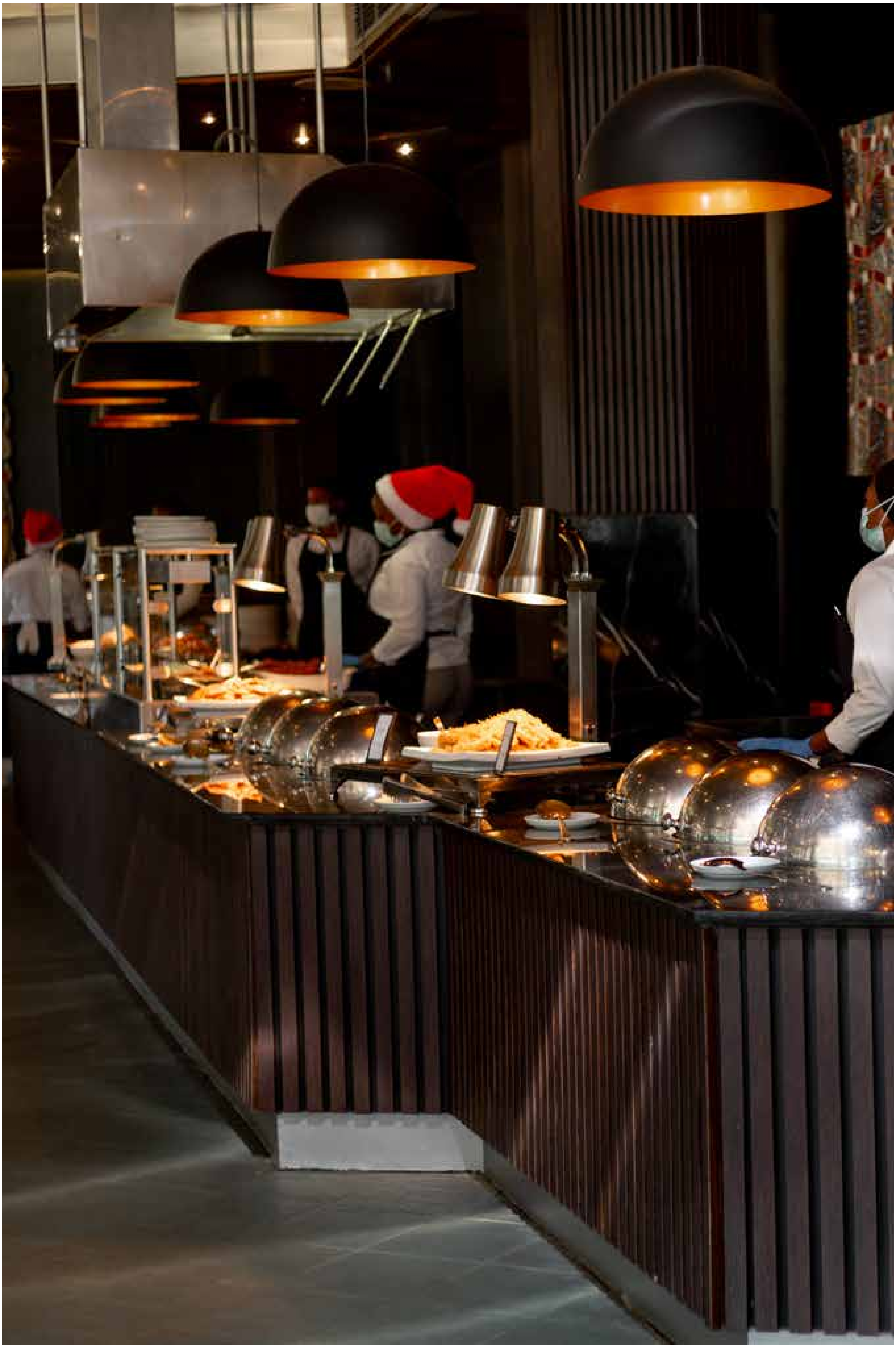
The Company has in place a Complaints Policy to handle and resolve complaints. A copy is annexed to the Annual Report and is also available on the Company's website.

15. Code of Conduct & Business Ethics

The Code of Conduct & Business Ethics provides general guidance and complements other policies and procedures of the Company regarding ethics and acceptable conduct in the organization. The Code clearly defines parameters of acceptable principles and standards in which Directors and employees are expected to conduct themselves in undertaking the business of the Company.

16. Communications Policy

The Communications Policy governs how information is communicated within Transcorp Hotels Plc and how the Company's representatives may communicate with outside parties. The Policy defines who "outside parties" are and applies to all Transcorp Hotels Plc's employees, directors, officers, consultants and contractors.



DIRECTORS' REPORT

The Directors present their annual report on the affairs of Transcorp Hotels Plc ("the Company") together with audited financial statements for the year ended December 31, 2023.

1. Principal Activities

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

2. Review of financial results and activities

Full details of the financial position, results of operations, cash flows, and the notes to the financial statements of the Group and Company are set out on pages 80 - 156 of this annual report. The summarised results are presented below.

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Revenue	41,455,877	30,439,219	41,438,286	30,432,720
Gross profit	**29,785,384**	**21,737,487**	**29,767,793**	**21,731,067**
Profit before tax	9,482,053	4,634,023	8,823,062	4,851,033
Tax	(3,228,087)	(1,771,540)	(3,228,087)	(1,771,501)
Profit after tax	**6,253,966**	**2,862,483**	**5,594,975**	**3,079,532**

3. Directorate

The Directors who served during the year under review are as follows:

Directors	**Designation**	**Changes**
Mr. Emmanuel Nnorom	Chairman	
Mrs. Dupe Olusola	Managing Director/Chief Executive Officer	
Dr.(Mrs.) Owen D. Omogiafo,OON	Non-Executive Director	
Mr. Peter Elumelu	Non-Executive Director	
Ms. Bolanle Onagoruwa	Independent Non-Executive Director	
Alhaji Garba Abubakar	Independent Non-Executive Director	Appointed 30 October 2023
Ms. Adesimbo Ukiri	Non-Executive Director	Appointed 30 October 2023
Mr. Alex Okoh	Non-Executive Director	Resigned 27 July 2023
Mrs. Helen Iwuchukwu	Non-Executive Director	Resigned 27 July 2023
Mr. Alexander Adeyemi	Non-Executive Director	Resigned 9 January 2023
Mr. Udechukwu Obi Osakwe	Non-Executive Director	Resigned 21 November 2023

4. Directors' interests in shares

The interests of each Director in the issued share capital of the Company as recorded in the register of Directors' shareholding as at 31 December 2023 were as follows:

Directors	Position	2023 Direct	2022 Direct	2023 Indirect	2022 Indirect
Mr. Emmanuel Nnorom*	Chairman	-	-	1,000,000	1,000,000
Mrs. Dupe Olusola	Managing Director	310,574	310,574	-	-
Dr. (Mrs.) Owen D. Omogiafo, OON**	Non-Executive Director	350,000	350,000	7,800,070,016	7,800,070,016
Mr. Peter Elumelu	Non-Executive Director	135,000	135,000	-	-
Mrs. Helen Iwuchukwu****	Non-Executive Director	10,000	10,000	-	-
Mr. Alex Okoh****	Non-Executive Director	10,000	10,000	-	-
Mr. Alexander Adeyemi***	Non-Executive Director	-	-	-	1,131,165,000
Mr. Udechukwu Obi Osakwe***	Non-Executive Director	-	-	1,131,165,000	-
Ms. Bolanle Onagoruwa	Independent Non-Executive Director	162,031	122,329	-	-
Alhaji Garba Abubakar	Independent Non-Executive Director	-	-	-	-
Ms. Adesimbo Ukiri	Non-Executive Director	-	-	-	-
		977,605	**937,903**	**8,932,235,016**	**8,932,235,016**

*Held indirectly through Vine Foods Limited.

**Held indirectly through Transnational Corporation Plc.

***Held indirectly through the Ministry of Finance Incorporated by the following Board representatives; Mr. Alexander Adeyemi (up to 9 January 2023), and Mr. Udechukwu Obi Osakwe (up to 21 November 2023). In 2024, the shares will be held indirectly by Dr. (Mrs.) Oluwatoyin S. Madein who was nominated by the Federal Ministry of Finance, to replace Mr. Udechukwu Obi Osakwe.

****Mrs. Helen Iwuchukwu and Mr. Alex Okoh resigned on 27 July 2023.

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

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. Dividends

The Board of Directors recommended an interim and final dividend of ₦2,048,505,682.20 (2022: ₦1,331,528,693.43) equivalent of 20 kobo per ordinary share for the year ended 31 December 2023. This will be presented at the next Annual General Meeting for Shareholders ratification and approval. This is subject to applicable withholding tax rate.

7. Share capital

The issued and fully paid shares of 50 kobo each of the Company as at 31 December 2023 were beneficially held as follows:

Issued	2023 ₦'000	2022 ₦'000	Percentage of shares 2023	Percentage of shares 2022
Transnational Corporation Plc	7,800,070	7,800,070	76.16 %	76.16 %
Ministry of Finance Incorporated	1,131,165	1,131,165	11.04 %	11.04 %
Other Shareholders	1,311,293	1,311,293	12.80 %	12.80 %
	10,242,528	**10,242,528**	**100%**	**100 %**

There was no change in the issued share capital during the year under review. The analysis of shareholders as at 31 December 2023 is shown below:

Range	No. of Holders	Percentage %	Holdings	Percentage %
1-999	1,292	53.77%	511,024	0.00%
1000- 9,999	534	22.22%	1,512,888	0.01%
10,000 - 99,999	205	8.53%	1,870,886	0.02%
100,000 - 999,999	234	9.74%	6,105,661	0.06%
1,000,000 - 9,999,999	64	2.66%	5,563,487	0.05%
10,000,000 - 99,999,999	47	1.96%	10,375,560	0.10%
100,000,000 - 999,999,999	9	0.37%	6,488,517	0.06%
Above 1,000,000,000	18	0.75%	10,210,100,388	99.70%
Total	**2,403**	**100%**	**10,242,528,411**	**100%**

Shareholder Structure as at 31 December 2023

Holder Type	Holder count	Holdings	Percentage %
Individual	1,874	23,932,753	0.23%
Government	1	1,131,165,000	11.04%
Corporate	502	9,087,058,431	88.72%
Foreign	21	324,456	0.01%
Joint	4	45,185	0.00%
Pension	1	2,586	0.00%
Total	**2,403**	**10,242,528,411**	**100**

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

	Authorised		Issued & Fully Paid-up		
Dates	Increase/ (Decrease)	Cumulative	Increase	Cumulative	Consideration
12/07/1994	10,000,000	10,000,000	5,000,000	5,000,000	Cash
13/01/2014	20,000,000	30,000,000	16,000,000	21,000,000	Cash
13/03/2014	7,470,000,000	7,500,000,000	3,570,000,000	3,591,000,000	Bonus issue
13/03/2014	7,500,000,000	15,000,000,000	3,591,000,000	7,182,000,000	Stock split
11/11/2014	-	15,000,000,000	418,403,900	7,600,403,900	Cash
17/12/2020	-	15,000,000,000	2,642,124,511	10,242,528,411	Right issue
*31/12/2022	(4,757,471,589)	10,242,528,411	-	10,242,528,411	Shares cancellation

*In line with Section 124 of CAMA which requires companies with unissued shares in their capital structure to fully issue or cancel such unissued shares no later than 31 December 2022. The Shareholders elected the option of the cancellation of Transcorp Hotels Plc's 4,757,471,589 unissued shares.

8. Substantial Interest in Shares
According to the register of members as at 31 December 2023, the following had more than 5% shareholding in the Company:

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

9. Property, plant and equipment
Information relating to movement in property, plant & 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.

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

a) Employment of Physically Challenged Persons
The Group has a policy of fair consideration of job applications by physically challenged persons, having regard for their abilities and aptitude. The Group's policy prohibits discrimination against physically challenged persons in the recruitment, training and career development of its employees. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged for the affected.There were two(2) physically challenged persons in employment as at 31 December 2023.

b) Health, Safety and Environment
The Group maintains business premises and a work environment that promotes the safety and health of its employees and other stakeholders. The Group's rules and practices in this regard is reviewed and tested regularly. Further, the Group provides medical insurance for its employees and their families through select health management organizations and hospitals.

c) Employees Development, Training and Engagement
The Group places a high premium on the development of its manpower and consults with employees on matters affecting their wellbeing. In the year 2023, formal classroom, onsite and offsite training, as well as online training courses were deployed in training and re-training 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 the views of employees are sought and given due consideration on matters which particularly affect them. Employees are also involved in the affairs of the Group through the service charge scheme, which entitles them to a percentage of the hotel's service charge revenue.

11. 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:

	2023	2022
Food supply to Daughters of Charity	5,333,479	3,482,439
Sewing Machine & accessories for Ace Charity	1,172,300	-
Coalition of Orphanages & Children Home in Nigeria	1,664,000	-
Donation of Items to Kuchingoro Old People's Home	-	303,900
	8,169,779	**3,786,339**

12. Securities Trading Policy

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

13. 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.

14. Risk Management Policy and Practices

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

It covers the principles such as Risk Management Objectives, Risk Management Strategies, Risk Management Philosophy and Culture, Risk Appetite and Risk Oversight as well as the processes including risk identification, analysis, management, monitoring, reporting and communication. The Board sets the tone and risk appetite for each business and risks identified. Management assesses the risks following a quarterly risk assessment exercise. The Finance and Investment Committee (FIC) has oversight for risk management. The Risk Report is presented quarterly at each FIC meeting and key risks noted are escalated to the Board with recommendations from the FIC.

The risk management systems and practices at the Group are effective and efficient.

15. Fines and Penalties

No amount was paid as fines or penalties during the year (2022: ₦2,750,000)

16. The Nature of Any Related Party Relationships and Transaction

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

	Group		Company	
Amount due to related parties	**2023 ₦'000**	**2022 ₦'000**	**2023 ₦'000**	**2022 ₦'000**
Transnational Corporation Plc	4,450,243	4,685,850	4,450,243	4,685,850
Transcorp Power Plc	8,705,181	8,199,672	8,705,181	8,199,672
	13,155,424	**12,885,522**	**13,155,424**	**12,885,522**
Amount due from related parties				
Aura by Transcorp Hotels Limited	-	-	414,340	273,927
Transcorp Hotels Calabar Limited	-	-	561,502	462,501
Trans Afam Power Limited	1,167,096	37,477	1,167,096	37,477
	1,167,096	**37,477**	**2,142,938**	**773,905**
Allowance for expected credit loss	(479)	-	(835,907)	(553)
Balance	**1,166,617**	**37,477**	**1,307,031**	**773,352**

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest-free, and settlement occurs in cash. No guarantees were provided nor received for any related party receivables or payables.

Related party borrowings:

Included in the amount due to Transcorp Power Plc is an ₦8.1bn loan at an average interest rate of 13%. Likewise, included in the amount due from Transcorp Hotels Calabar Limited is a ₦235mn loan and due from TransAfam Power Ltd is ₦1.05bn at an average interest rate of 16%.

17. Other Terms

The Company entered into a Technical and Management Services Agreement with Transnational Corporation Plc. As stipulated in the signed agreement, the Company incurs an annual management fee equivalent to higher of ₦350 million or 5% of profit before tax.

18. Events After the Reporting Date

Subsequent to year end, 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.

19. Terms of Re-appointment of the Auditors

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

Signed on behalf of the Board of Directors By:

Mr. Stanley Chikwendu
FRC/2012/PRO/NBA/002/00000000590
Group Company Secretary

5 March 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

INTRODUCTION

Our ESG strategy reflects our Group purpose of Improving Lives and Transforming Africa. We are committed to driving transformational change by creating more value for our stakeholders, sustainably growing our business and integrating our Environmental, Social and Governance (ESG) goals across all aspects of our business.

In a world facing growing economic, social and environmental instabilities inequality, our aspiration is to accelerate sustainable and inclusive growth in all communities we operate.

We achieve this through fostering partnerships and collaboration with stakeholders, implementing strong governance standards, and promoting diversity and inclusion within Transcorp Hotels Plc. These strategies drive our sustainability practices, social impact, and overall performance while aligning with the Company's ESG principles.

ESG Score Card

63,343kg +
Food Waste Saved

21,292kg +
Recyclable achieved

73.87MT/mth +
CO2 Emission Saved

N9.8b +
Revenue

SUSTAINABILITY

Our 2023 ESG Report reflects our journey over the last year across the Environment, Social and Governance (ESG) Pillars.

Our ESG Commitment

Our goal

Our ESG goal is to Transform Our World

Our purpose

Our purpose is to create positive environmental, social and economic impact across our businessess and communities

Our strategy

Our strategy focuses on:

- Environmental: Climate & environment
- Social: Diversity & inclusion; Community impacts & Empowerment, Wellness, Health & Safety.
- Corporate Governance & Strategy

2023 ESG Report

ENVIRONMENT

Transcorp Hotels Plc has continued to drive its sustainability goals towards protecting the Climate and Environment through minimizing WASTE and ensuring sustainable consumption and production pattern (SDG 12). In 2023, we embarked on the following environmentally friendly initiatives:

- **Waste Management - Food**
  A food waste management programme was introduced in 2023 consistent with the Company's commitment to minimize waste. In the course of the year, over ₦51,639,185 of food waste was saved, this is equivalent to over 158,359 meals recovered.

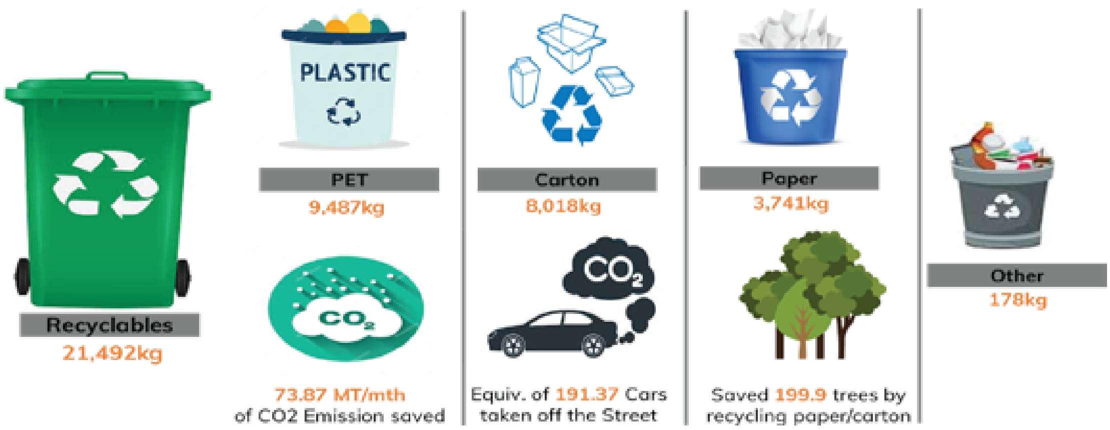
- **Waste Management - Recyclables**
  Through a sustained partnership with Chanja Datti, the Company collected 21,492kg of recyclables like plastic (PET) papers, glass bottles etc., supplied to recyclers for use in the manufacture of other products. Below is the Company's score card on its recyclables.

- **Waste Management – Soap**
  In the year, the Company has sustained its Soap for Hope project. The project focuses on recycling and repurposing soap waste to create new soap bars which are wrapped and distributed to rural communities where it is needed.

  Since its inception in 2016, the Soap for Hope project has distributed over 3,500 soap bars to the recipients of the program.

- **Waste Management – Water**
  Through our "Save Every Drop" campaign, we continue to engage and train team members on water usage and installing water-efficient equipment such as low-flow shower heads and taps.

- **Other Initiatives:**
  - **The Earth Week – Tree Planting Project:** Within the year, the Company embarked on Tree Planting projects within its hotels and a school within the Committee it serves. Feeding into our sustainability goals to reduce ozone levels in urban areas.
  - **Duel Fuel Burner:** In 2023, the Company an initiative focused on reducing CO2 emissions while improving energy efficiency was initiated. This project aims at reducing energy consumption by 50%, while driving the use of a cleaner fuel option and achieving cost efficiencies.



03 Governance

SOCIAL

Over the period, Transcorp Hotels Plc reinforced its commitment to impacting its community through its socially responsible initiatives. Below are some of the activities we have engaged in 2023 across all our businesses.

- **Education**
  Leveraging proceeds from recycling wastes from the hotel, we send out-of-school children back to school through the Bottle for Books Initiative.

- **Women Empowerment**
  Driven by the desire to tackle unemployment in the Community, Transcorp Hotels continues to empower women with basic sewing, business, accounting and management skills necessary to establish and manage their own businesses. Graduands over the years have built thriving businesses and created jobs.

- **ESG Awareness**
  In the course of the year, we visited Government Secondary School, Bwari as well as Big Qua Primary School Calabar, where we educated the students on proper waste management, the importance of recycling and effective ways to recycle, fostering a greener and more sustainable future for us all.

  We backed our talk with action by donating recycling cages to the schools for proper disposal of recyclables.

- **Other Initiatives**
  - Monthly donations (foodstuff, bed linens, duvet covers and pillowcases) to the “Daughters of Charity” Hospital, Abuja.
  - Collaboration with Project Pink Blue, a non-governmental organization in Abuja that raises funds for cancer patients as well as awareness about cancer.
  - Sponsorship of the Abuja Metropolitan Music Society (AMEMUSO), an NGO that provides a platform for Nigerians to express their musical talents.

GOVERNANCE

In 2023, Transcorp Hotels Plc, led by a diverse and dynamic Board achieved and sustained strong corporate governance milestones. Some notable achievements, which serve as a testament of the Company's performance include:

- **Free Float Compliance:**
  In 2023, Transcorp Hotels Plc **achieved compliance** with Nigerian Exchange Limited's (NGX) free float requirement for companies listed on its Main Board, the NGX has removed the Compliance Status Indicator (CSI) of BLS (Below Listing Standard) placed beside the Company's name across NGX's platform.

- **Diversity Equity and Inclusion:**
  Transcorp Hotels Plc retained its award by Hofstede Insight for the best listed Company in Diversity Equity and Inclusion (DEI) in 2023.

- **Assurance Function:**
  Following the Quality Assurance Review in 2023, the internal audit function moved up on the rating scale from 8 Established and 1 Advanced Internal Audit Dimensions/Operations to **3 Established and 6 Advanced** Internal Audit Dimensions/Operations demonstrating our unwavering dedication to sound governance practices, internal control activities, adequate risk management and compliance to all applicable laws and regulations.

- **Financial Performance**
  Transcorp Hotels Plc's strong **corporate strategy** is evidenced by its ability to sustain strong financial performance over the year, with a PBT of ₦9.5bn (as at 31 Dec 2023) representing 105% growth over same time previous year

- **Other Governance Information**
  - Governance Policies: To ensure our continued commitment to good governance practices, Transcorp Hotels Plc has put in place various policies, procedures and avenues to enable staff and other stakeholders report any unethical activity affecting it. Some of which include:

    - Code of Conduct & Ethics : Staff of Transcorp Hotels Plc demonstrate professional conduct and competency, based on established ethical and code of conduct frameworks that specify appropriate behaviour. Through several internal programs designed to make sure that staff function in accordance with our approved standards, regularly sensitizations and awareness sessions are organized for all employees.

    - Whistleblowing Policy: The Company has in place a codified whistleblowing management procedure with dedicated channels for escalation, (Email whistleblower@transcorphotelsplc.com and Hotline: 09133624480) where reports are confidential addressed. The Company also has in place a Complaint Management reporting via the Company's website on info@transcorphotelsplc.com

In the year 2023, six (6) policies were revised and approved by the Board. They include:

- Complaints Management Policy
- Internal Control Framework
- Cost Management Policy
- Security Trading Policy
- Disciplinary Process and Sanctions Grid Policy
- Statutory Audit Committee Charter.

- **Our People - Stakeholder Engagement:** As a corporate governance-focused Company, we understand that a transparent and effective decision-making process can only be achieved with the input and support of from our stakeholders. Thus, the Company has sustained its various platforms for stakeholder engagement and interaction such of which include: Investor relations channels, website, podcast, regulatory returns etc.

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

- **Our People – Employees:** In our commitment to ESG principles, we recognize the intrinsic value of fostering a diverse and inclusive workforce. Our organization embraces diversity as a cornerstone of our sustainability efforts, understanding that diverse perspectives drive innovation, enhance decision-making processes, and ultimately lead to better business outcomes. Within our workforce, we celebrate differences in gender, ethnicity, age, and ability, striving to create an environment where every individual feels valued, respected, and empowered to contribute their unique talents. Through targeted recruitment practices, inclusive policies, and ongoing diversity training, we actively cultivate a culture of belonging and equal opportunity for all employees. As we continue our journey towards sustainable growth, we remain steadfast in our commitment to championing diversity and inclusion as integral components of our ESG strategy.

- **Our People - Vendors and Suppliers**
  Transcorp Hotels Plc continues to integrate its ESG principles within all its processes included its procurement processes. In 2023, we ensure as attestation to the Company's Code of Conduct and Ethics by our vendors and suppliers.

We ensure fair dealings and trade relationships with all its vendors and suppliers through transparent and comprehensive Vendor Selection and Management Process.

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

AWARDS AND RECOGNITIONS

In 2023, Transcorp Hotels Plc received the following awards across all its businesses:
Transcorp Hilton Abuja

- World Luxury Hotel Award, 2023 Luxury Business Hotel - Africa
- Best Luxury Hotel in Nigeria 2023, Seven Stars Luxury Hospitality & Lifestyle Awards
- Best Luxury Business Hotel in Africa 2023, Seven Stars Luxury Hospitality & Lifestyle Awards
- Africa's Leading Business Hotel, World Travel Awards 2023
- Nigeria's Leading Business Hotel, World Travel Awards 2023
- Nigeria's Leading City Hotel, World Travel Awards 2023
- Nigeria's Leading Hotel, World Travel Awards 2023
- Nigeria's Leading Hotel Suite, World Travel Awards 2023
- Booking.com Traveller Review Awards 2023

Transcorp Hotels Plc

- Outstanding Hospitality Brand of the Year, Brand Communicator Awards 2023
- Diversity Equity and Inclusion (DEI) Award, Hofstede Insights
- Outstanding Employer of the Year 2023, Trade Union Congress of Nigeria
- International Business Magazine Awards 2023 - Leading Hospitality Brand Africa 2023

AA&Co

Angela Aneke & Co. Plot 5A, Block 5, Theophilus Oji street off Fola Osibo, Lekki Phase 1, Lagos, Nigeria, boardevaluations@angelaanekeco.com

March 15, 2024,

Statement by the External Consultants on the Board Evaluation of Transcorp Hotels Plc. for the year ended December 31, 2023

The Board of Directors of Transcorp Hotels Plc. (Transcorp Hotels or the Company) engaged Angela Aneke & Co. Limited to perform an evaluation of the Board for the year ended December 31, 2023, in line with the requirements of Principle 14 of the Financial Reporting Council's Nigerian Code of Corporate Governance (NCCG). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

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

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

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

Transcorp Hotels Plc. has a strong Board guided by an established Board Governance Charter. The mandates and terms of reference of the Board Committees are clearly defined in the Board Governance Charter and they address the effective monitoring of financial performance, strategy, governance, remuneration, risk management, internal audit and controls, regulatory compliance, and information technology governance. Furthermore, Directors largely achieved 100% attendance at the Board and Board Committee meetings held in 2023.

The Board and its Committees are composed of seasoned professionals with a wealth of experience committed to the long-term success of the Company. It is a forward-thinking and cohesive Board, with an appropriate balance of skills and diversity including experience, age, and gender. Female representation on the Board is at 50%, demonstrating the Board's continued commitment to promoting gender diversity.

The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively.

On the basis of our work, we conclude that the Board of Transcorp Hotels Plc. is effective and continues to demonstrate a commitment to maintaining strong corporate governance systems in line with global best practice. Its corporate governance framework is established, and the Company has substantially applied the 28 principles of the NCCG.

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

Angela Aneke
Managing Director
FRC/2013/IODN/00000002473

AA&Co

Angela Aneke & Co. Plot 5A, Block 5, Theophilus Oji street off Fola Osibo, Lekki Phase 1, Lagos, Nigeria, boardevaluations@angelaanekeco.com

March 15, 2024,

Statement by the External Consultants on the Corporate Governance Evaluation of Transcorp Hotels Plc. for the year ended December 31, 2023

The Board of Directors of Transcorp Hotels Plc. (Transcorp Hotels or the Company) engaged Angela Aneke & Co. Limited to perform a Corporate Governance evaluation for the year ended December 31, 2023, in line with the requirements of Principle 15 of the FRC's Nigerian Code of Corporate Governance (NCCG). The agreed scope of services for the evaluation exercise was specified in our letter of engagement.

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

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

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

An effective framework for managing risk and internal control is in place at Transcorp Hotels Plc. The risks the company faces and risk mitigating strategies are effectively monitored and reported to the Board at its quarterly meetings. The internal control function also provides assurance to the Board and its Committees on its effectiveness at its quarterly meetings. An effective whistleblowing framework for reporting illegal and unethical behavior is also in place. In 2023, the Company remained committed to sustainability and acted as a responsible citizen by embarking on several corporate social responsibility activities.

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

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

Angela Aneke

Angela Aneke
Managing Director
FRC/2013/IODN/00000002473

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

The Board of Directors of Transcorp Hotels Plc ("Transcorp Hotels" or the "Company") acknowledges the importance of Environmental, Social and Governance ("ESG") activities as a driver of long-term value creation and business sustainability. ESG issues are considered a business imperative and remain at the core of the Company's strategy and philosophy. The Board is responsible for providing the required oversight into the Company's ESG activities.

In accordance with the provisions of Section 28.8 of the Nigerian Code of Corporate Governance 2018, we, the Board of Directors of Transcorp Hotels, hereby report on the ESG activities of the Company for the year ended 31 December 2023. In commitment our sustainability statement to, "***creating positive environmental, social and economic impact across our businesses and communities***" Transcorp Hotels has embraced and sustained strong corporate governance practices, operational efficiencies as well as the social commitment of a responsible corporate citizen, driving the integration of Environmental, Social, and Governance (ESG) principles in all facets of the company's strategy, investment decisions, and dealings.

We sustained our ESG activities focused on Climate & Environment with emphasis on SDG 12 (Waste Management) & the reduction of CO2 emission; Strong Financial Performance, Diversity & Inclusion; Community Impact & Empowerment; Wellness, Health & Safety; and Corporate Governance & Strategy. We also embarked on several CSR activities focused on these pillars; details of these activities can be found in the ESG Report found on page 58 of this report.

Transcorp Hotels has institutionalized governance policies and practices that embed Environmental, Social and Governance considerations in all our business and financial decisions. We have in place robust internal control, compliance, internal audit and risk management programs that provide comfort on the effectiveness, transparency and efficiency of processes and procedures. As a Company, we remained unwavering in our commitment to a system of checks and balances at all levels which has ensured consistency in the creation of an efficiently functioning Company geared towards delivering long-term value.

The Board remains committed to ***Transforming the World*** through our environmental, social, and governance activities. By fostering sustainability, diversity, and ethical practices, we strive to create positive impacts for our stakeholders and future generations.

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

Together, we can build a better, more sustainable world.

Thank you.

Emmanuel N. Nnorom
Chairman, Board of Directors
FRC/2014/PRO/DIR/003/00000007402

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Transcorp Hotels 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 2023, and the results of its operations, cash flows, and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act 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 IFRSs 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.

Mr. Emmanuel Nnorom
Chairman
FRC/2014/PRO/DIR/003/00000007402

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

CERTIFICATION OF FINANCIAL STATEMENTS

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

(i) audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and

(ii) audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the Group as of and for, the periods covered by the audited financial statements;

We state that Management and Directors:

(i) are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company (and its subsidiaries) is made known to the officer by other officers of the Group, particularly during the period in which the audited financial statement report is being prepared,

(ii) 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's ability to record, process, summarise and report financial data, and have 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 2023 were approved by the Directors on 5th March 2024.

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

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

REPORT OF THE STATUTORY AUDIT COMMITTEE

To the Members of Transcorp Hotels Plc

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

(a) The accounting and reporting policies of the Company for the year ended 31 December 2023 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 controls systems;

(c) The scope and planning of the statutory independent audit for the year ended 31 December 2023 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 of Transcorp Hotels Plc.

Akaninyene Obot
Chairman, Audit Committee
FRC No. FRC/2013/PRO/ICAN/009/0000004721

Dated this 5th day of March 2024

Members of the Statutory Audit Committee

Mr. Akaninyene Obot	-	Chairman
Mr. Eric Akinduro	-	Member
Mr. Gafar Erinfolami	-	Member
Mr. Peter Elumelu	-	Member
Ms. Bolanle Onagoruwa	-	Member

04

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholder's of Transcorp Hotels Plc

Deloitte.

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Independent Auditor's Report

To the Shareholders of Transcorp Hotels Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of **Transcorp Hotels Plc** and its subsidiaries (the Group and Company) set out on pages 80 - 156 , which comprise the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, consolidated and separate statements of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including 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 **Transcorp Hotels Plc** as at 31 December 2023, and its consolidated and separate financial performance and consolidated and separate statement of cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of the consolidated Financial Statements in Nigeria.

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

Key Audit Matter

Key audit matter is the matter that, in our professional judgement, is of most significance in our audit of the consolidated and separate financial statements of the current year. This matter was addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

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Key Audit Matter	How the matter was addressed in the audit
Disposal of Investment classified as Held for Sale (Note 25) The group made the decision to divest the 100% equity interest held in Transcorp Hotels Calabar. The decision is consistent with the group's long-term policy and in line with the strategic plans of the management. The transaction to dispose the subsidiary was not completed during the financial year hence, management considered the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in accounting for the planned disposal of the subsidiary. The matter is considered a key audit matter as it relates to matters that are of most significance in the audit of the financial statements. This is considered a key audit matter in both the consolidated and separate financial statements.	The Primary procedures we performed to address this key audit matter included the following: • Obtained an understanding of the significant unusual transaction resulting in the accounting for Asset Held for Sale. • Obtained and reviewed management's position on the treatment of the transaction. • Reviewed the contract with the potential buyer to determine the Market/Fair value of the investment. • Reviewed the impairment assessment of the Investment in Subsidiary in the company's financial statement as well as the Goodwill in the Group financial statements. • Obtained the audited balances of the assets and liabilities of the component to be reclassified to Asset Held For Sale. • We assessed the accounting treatment and disclosure of the asset held for sale and the discontinued operation against the requirements of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations with the assistance of our internal IFRS specialists. • Evaluated and concluded on the results of our tests. Based on the procedures performed, management's conclusion on the accounting treatment and disclosures of the assets held for sale and discontinued operation were found to be adequate.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, Statement of Directors Responsibilities, Certification of the Financial Statements, Report of the Statutory Audit Committee, 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 annual report which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current 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.

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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.

Ngozika Emeka-Eze - FRC/2013/PRO/ICAN/004/00000001817
For: Deloitte & Touche
Chartered Accountants
Lagos, Nigeria
28 **March 2024**

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
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CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
CONTINUING OPERATIONS	**Note**	**Jan- Dec 2023 ₦'000**	**Jan-Dec 2022 ₦'000**	**Jan-Dec 2023 ₦'000**	**Jan-Dec 2022 ₦'000**
Revenue	9.	41,455,877	30,439,219	41,438,286	30,432,720
Cost of sales	10.	(11,670,493)	(8,701,732)	(11,670,493)	(8,701,653)
Gross profit		**29,785,384**	**21,737,487**	**29,767,793**	**21,731,067**
Other operating income	11.	1,605,855	961,918	1,657,295	994,739
Impairment gains/(losses) on financial assets	13.	21,862	(68,573)	(874,206)	(75,378)
Impairment losses on non-current assets	14.	(1,011,644)	-	(1,008,621)	-
Operating expenses	15.	(17,257,256)	(13,863,869)	(17,084,072)	(13,691,138)
Operating profit		**13,144,201**	**8,766,963**	**12,458,189**	**8,959,290**
Finance costs	12.	(3,904,012)	(4,141,497)	(3,904,012)	(4,141,497)
Finance income	12.	241,864	8,557	268,885	33,240
Profit before tax		**9,482,053**	**4,634,023**	**8,823,062**	**4,851,033**
Income tax	18.	(3,228,087)	(1,771,540)	(3,228,087)	(1,771,501)
Profit for the year from continuing operations		**6,253,966**	**2,862,483**	**5,594,975**	**3,079,532**
DISCONTINUED OPERATIONS					
Loss for the year from discontinued operations	24.	(160,854)	(244,588)	-	-
Profit for the year		**6,093,112**	**2,617,895**	**5,594,975**	**3,079,532**
Profit for the year attributable to:					
Owners of the Company		6,155,985	2,677,731	5,594,975	3,079,532
Non-controlling interests*		(62,873)	(59,836)	-	-
		6,093,112	**2,617,895**	**5,594,975**	**3,079,532**
Other comprehensive income/(loss)					
Actuarial gains and (losses) arising from changes in Discount Rate Assumption	43.	28,033	-	28,033	-
Actuarial gains and (losses) arising from changes in Exchange Rate Assumption	43.	(81,823)	-	(81,823)	-
Actuarial gains and(losses) arising from experience adjustments	43.	(2,702)	-	(2,702)	-
Tax credit on actuarial gains/losses		18,642		18,642	
Total other comprehensive income for the year		**(37,850)**	**-**	**(37,850)**	**-**
Total comprehensive income for the year		**6,055,262**	**2,617,895**	**5,557,125**	**3,079,532**

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	Jan- Dec 2023 ₦'000	Jan-Dec 2022 ₦'000	Jan-Dec 2023 ₦'000	Jan-Dec 2022 ₦'000
Attributable to:					
Owners of the Company		6,118,135	2,677,731	5,557,125	3,079,532
Non-controlling interests*		(62,873)	(59,836)	-	-
		6,055,262	**2,617,895**	**5,557,125**	**3,079,532**
Earnings per share					
Basic earnings per share (kobo)	19.	60	26	55	30
Diluted earnings per share (kobo)	**19.**	**60**	**26**	**55**	**30**

*The non-controlling interest relates only to continuing operations as whole of loss from discontinued operations relate to the parent.

The material accounting policies on pages 87 to 107 and the notes on pages 108 to 156 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	20.	107,814,320	107,971,345	94,536,569	93,369,335
Investment property	21.	-	-	1,740,549	1,717,765
Goodwill	23.	-	1,974,756	-	-
Intangible assets	22.	139,601	158,856	103,788	119,265
Investment in subsidiaries	8.	-	-	21,220	3,529,841
Other investment	30.	300,075	300,075	300,075	300,075
Long term receivables	42.1	-	-	8,790,828	8,418,588
		108,253,996	**110,405,032**	**105,493,029**	**107,454,869**
Current assets					
Inventories	27.	645,564	616,624	645,564	529,871
Trade and other receivables	28.	4,312,727	3,220,475	4,444,212	3,793,545
Prepayments	29.	1,005,188	1,062,154	1,005,188	1,036,980
Cash and bank balances	31.	8,978,578	5,183,097	8,933,233	5,101,419
		14,942,057	10,082,350	15,028,197	10,461,815
Assets classified as held for sale	25.	2,898,863	-	2,500,000	-
		17,840,920	**10,082,350**	**17,528,197**	**10,461,815**
Total assets		**126,094,916**	**120,487,382**	**123,021,226**	**117,916,684**
Equity and Liabilities					
Equity					
Share capital	32.	5,121,264	5,121,264	5,121,264	5,121,264
Share premium	32.	12,548,859	12,548,859	12,548,859	12,548,859
Other reserves	43.	(37,850)	-	(37,850)	-
Retained earnings	34.	49,314,490	45,207,011	48,924,981	45,378,512
Equity attributable to Owners of the Company		66,946,763	62,877,134	66,557,254	63,048,635
Non-controlling interests	35.	(150,393)	(87,520)	-	-
Total equity		**66,796,370**	**62,789,614**	**66,557,254**	**63,048,635**
Liabilities					
Non-current liabilities					
Borrowings	26.	13,589,678	16,113,199	13,589,678	16,113,199
Deferred income	36.	1,100,082	1,544,322	1,100,082	1,544,322
Contract liabilities	37.	1,986,730	2,139,555	1,986,730	2,139,555
Deposit for shares	40.	2,410,000	2,410,000	-	-
Defined benefit liability	43.	211,836	161,705	211,836	161,705
Deferred tax liability	18.	7,689,046	6,023,475	7,689,046	6,023,475
		26,987,372	**28,392,256**	**24,577,372**	**25,982,256**

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION (cont'd)

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Current liabilities					
Trade and other payables	38.	22,530,829	20,125,593	22,505,158	19,710,927
Current tax liabilities	18.	1,543,851	594,493	1,543,811	589,440
Contract liabilities	37.	296,375	258,284	296,375	258,284
Borrowings	26.	7,065,025	7,846,378	7,065,025	7,846,378
Deferred income	36.	444,000	447,756	444,000	447,756
Defined benefit liability	43.	32,231	33,008	32,231	33,008
		31,912,311	29,305,512	31,886,600	28,885,793
Liabilities directly associated with assets classified as held for sale	25.	398,863	-	-	-
		32,311,174	**29,305,512**	**31,886,600**	**28,885,793**
Total liabilities		**59,298,546**	**57,697,768**	**56,463,972**	**54,868,049**
Total equity and liabilities		**126,094,916**	**120,487,382**	**123,021,226**	**117,916,684**

The Consolidated and Separate Financial Statements on pages 80 to 156 were approved by the Board of Directors on the 5 March 2024 and were signed on its behalf by:

Mr. Emmanuel Nnorom
Chairman
FRC/2014/PRO/DIR/003/00000007402

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

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

The material accounting policies on pages 87 to 107 and the notes on pages 108 to 156 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2023

	Share capital ₦'000	Share premium ₦'000	Other reserve ₦'000	Retained earnings ₦'000	Total attributable to owners of the parent ₦'000	Non-controlling interests ₦'000	Total equity ₦'000
Group							
Balance at 1 January 2022	**5,121,264**	**12,548,859**	**-**	**44,577,786**	**62,247,909**	**(27,684)**	**62,220,225**
Profit for the year	-	-	-	2,677,730	2,677,730	(59,836)	2,617,894
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**2,677,730**	**2,677,730**	**(59,836)**	**2,617,894**
Dividends for 2021	-	-	-	(716,977)	(716,977)	-	(716,977)
Dividends for 2022	-	-	-	(1,331,529)	(1,331,529)	-	(1,331,529)
Total contributions by and distributions to Owners of Company	**-**	**-**	**-**	**(2,048,506)**	**(2,048,506)**	**-**	**(2,048,506)**
Balance at 31 December 2022	**5,121,264**	**12,548,859**	**-**	**45,207,011**	**62,877,133**	**(87,520)**	**62,789,613**
Balance as at 1 January 2023	**5,121,264**	**12,548,859**	**-**	**45,207,011**	**62,877,133**	**(87,520)**	**62,789,613**
Profit/(loss) for the year	-	-	-	6,155,985	6,155,985	(62,873)	6,093,112
Other comprehensive income	-	-	(37,850)	-	(37,850)	-	(37,850)
Total comprehensive income for the year	-	-	(37,850)	6,155,985	6,118,135	(62,873)	6,055,262
Dividends for 2023	**-**	**-**	**-**	**(2,048,506)**	**(2,048,506)**	**-**	**(2,048,506)**
Total contributions by and distributions to Owners of Company	-	-	-	(2,048,506)	(2,048,506)	-	(2,048,506)
Balance at 31 December 2023	**5,121,264**	**12,548,859**	**(37,850)**	**49,314,490**	**66,946,763**	**(150,393)**	**66,796,370**

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY (cont'd)

AS AT 31 DECEMBER 2023

	Share capital ₦'000	Share premium ₦'000	Other reserve ₦'000	Retained earnings ₦'000	Total attributable to owners of the parent ₦'000	Non-controlling interests ₦'000	Total equity ₦'000
Company							
Balance at 1 January 2022	**5,121,264**	**12,548,859**	**-**	**44,347,486**	**62,017,609**	**-**	**62,017,609**
Profit for the year	-	-	-	3,079,532	3,079,532	-	3,079,532
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**	**3,079,532**	**3,079,532**	**-**	**3,079,532**
Dividends for 2021	-	-	-	(716,977)	(716,977)	-	(716,977)
Dividends for 2022	-	-	-	(1,331,529)	(1,331,529)	-	(1,331,529)
Total contributions by and distributions to Owners of Company	**-**	**-**	**-**	**(2,048,506)**	**(2,048,506)**	**-**	**(2,048,506)**
Balance at 31 December 2022	**5,121,264**	**12,548,859**	**-**	**45,378,512**	**63,048,635**	**-**	**63,048,635**
Balance at 1 January 2023	**5,121,264**	**12,548,859**	**-**	**45,378,512**	**63,048,635**	**-**	**63,048,635**
Profit for the year	-	-		5,594,975	5,594,975	-	5,594,975
Other comprehensive income	-	-	(37,850)	-	(37,850)	-	(37,850)
Total comprehensive income for the year	**-**	**-**	**(37,850)**	**5,594,975**	**5,557,125**	**-**	**5,557,125**
Dividends for 2023	-	-	-	(2,048,506)	(2,048,506)	-	(2,048,506)
Total contributions by and distributions to Owners of Company	**-**	**-**	**-**	**(2,048,506)**	**(2,048,506)**	**-**	**(2,048,506)**
Balance at 31 December 2023	**5,121,264**	**12,548,859**	**(37,850)**	**48,924,981**	**66,557,254**	**-**	**66,557,254**

The material accounting policies on pages 87 to 107 and the notes on pages 108 to 156 form an integral part of the consolidated and separate financial statements.

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		Group		Company	
Operating activities	Note	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Cash generated from operations	37.	14,752,706	10,767,851	14,357,611	8,955,384
Income taxes paid	18.	(589,504)	(166,530)	(589,504)	(161,821)
Net cash from operating activities		**14,163,202**	**10,601,321**	**13,768,107**	**8,793,563**
Investing activities					
Interest received	12.	162,477	3,372	162,223	2,870
Equity investment acquired	30.	-	(300,075)	-	(300,075)
Proceeds from sale of property, plant and equipment		40,874	1,524	40,874	1,317
Purchase of property, plant and equipment	20.	(3,700,123)	(6,585,550)	(3,290,942)	(4,674,165)
Purchase of intangible asset	22.	(35,300)	(32,653)	(12,800)	(10,218)
Net cash used in investing activities		**(3,532,072)**	**(6,913,382)**	**(3,100,645)**	**(4,980,271)**
Financing activities					
Proceeds from borrowings	26.	-	2,000,000	-	2,000,000
Repayment of borrowings	26.	(3,562,625)	(2,717,033)	(3,562,625)	(2,717,033)
Interest paid	26.	(2,682,831)	(2,437,916)	(2,682,831)	(2,437,916)
Dividends paid	33.	(1,331,529)	(716,977)	(1,331,529)	(716,977)
Net cash used in financing activities		**(7,576,985)**	**(3,871,926)**	**(7,576,985)**	**(3,871,926)**
Net increase/(decrease) in cash and cash equivalents		**3,054,145**	**(183,987)**	**3,090,477**	**(58,634)**
Cash and cash equivalents at beginning of year		3,258,117	3,184,233	3,176,439	2,984,581
Effect of foreign exchange rate changes		917,390	257,871	917,390	250,492
Cash and cash equivalents at end of year	**31.**	**7,229,652**	**3,258,117**	**7,184,306**	**3,176,439**

The material accounting policies on pages 87 to 107 and the notes on pages 108 to 156 form an integral part of the consolidated and separate financial statements.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

ACCOUNTING POLICIES

1. Corporate information

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

Transcorp Hotels Plc (the Company or the parent) was incorporated under the Companies and Allied Matters Act on 12 July 1994 as a private limited liability Company and is domiciled in Nigeria. Following a successful Initial Public Offer (IPO), the Company was on 15 January 2015 listed on the Nigerian Exchange Group (formerly Nigerian Stock Exchange) and its shares are publicly traded.

The ultimate parent of the Company is Transnational Corporation Plc. with 76.16% (2022:76.16%) shareholdings.

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

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

The consolidated and separate financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 5th March 2024.

2. Material Accounting Policies

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

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated and separate financial statements, the Companies and Allied Matters Act of Nigeria, 2020 and the Financial Reporting Council of Nigeria (Amendment) Act, 2023.

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

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

These accounting policies are consistent with the previous year.

Going Concern

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

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

2.2 Segmental Reporting

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

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

2.3 Consolidation

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

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

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

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

The results of subsidiaries are included in the consolidated and separate financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the consolidated and separate financial statements of subsidiaries to bring their accounting policies in line with those of the Group.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the Company.

Where a subsidiary is disposed off and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Investments in Subsidiaries in the Separate Financial Statements

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. This excludes investments which are held for sale and are consequently accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS standards. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date's fair values, unless another measurement basis is required by IFRS's.

In cases where the Group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill

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

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

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

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

Impairment of Goodwill

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

2.4 Current versus Non-Current Classification

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

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

All other assets are classified as non-current.
A liability is current when:

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

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.5 Fair value measurement

The Group measures non-financial assets such as investment properties, at fair value at each financial position date.

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as investment properties. The Group carry out periodic assessment on the need to change our external valuers.

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

2.6 Revenue from Contracts with Customers

The Group is in the hospitality industry and largely offers lodging, meals and other guest services to customers.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

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

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

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

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

The Group recognises revenue from the following major sources:

- Rooms
- Food and beverages
- Accommodation and experience
- Other services

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

Rooms

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

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

Food and beverages

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

Accommodation and Experiences

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

Other services

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

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

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Allocating discounts

The Group allocates a variable amount (and subsequent changes to that amount) entirely to a performance obligation or to a distinct good or service that forms part of a single performance obligation if both of the following criteria are met:

- the terms of a variable payment relate specifically to the Group's efforts to satisfy the performance obligation or transfer the distinct good or service (or to a specific outcome from satisfying the performance obligation or transferring the distinct good or service); and
- allocating the variable amount of consideration entirely to the performance obligation or the distinct good or service is consistent with the allocation objective in IFRS 15:73 when considering all the performance obligations and payment terms in the contract.

Contract balances

Contract assets

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

Contract liabilities

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

Security deposit

The Group receives a refundable deposit from customers. The refundable deposit is called a security deposit and it is used to recoup unpaid balances owed by the customer. However, if the customer does not have unpaid balances, it is refunded to the customer. (See Note 38.1)

2.7 Tax

Current Tax Assets and Liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax Assets and Liabilities

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

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit or taxable profit (tax loss).

Deferred tax liability is not recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused deferred tax credits can be utilised.

Deferred tax asset is not recognised in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

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

Tax Expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Value added tax (VAT)

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

- When the Value added tax (VAT) incurred on a purchase of assets or services is not recoverable from the

taxation authority, in which case, the Value added tax (VAT) is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of Value added tax (VAT) included

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

2.8 Translation of Foreign Currencies

Functional and presentation currency

Items included in the consolidated and separate financial statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate financial statements are presented in Naira which is the Group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Naira, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Group receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Group initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Group determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Naira by applying to the foreign currency amount the exchange rate between the Naira and the foreign currency at the date of the cash flow.

2.9 Dividend

Dividends on ordinary shares are recognised in equity in the period in which they are approved by the company's shareholders.

Dividend for the year that are declared after the date of the statement of financial position are dealt with in the subsequent events note.

Dividend approved by the Directors before year end is recognised in the financial statements in accordance with the requirements of the Company and Allied Matters Act 2020.

2.10 Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

2.11 Leases

The Group assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

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

Company as lessor

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

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

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

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

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

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

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

Operating leases

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases.

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease, or on another systematic basis if that basis is more representative of the pattern in which the benefits form the use of the underlying asset are diminished. Rental lease income is included in other operating income.

2.12 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:
- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.
Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

2.13 Intangible assets

An intangible asset is recognised when:
- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.
Intangible assets are subsequently carried at cost less any accumulated amortisation and any impairment losses.

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

Item	Amortisation method	Average useful life
Computer software	Straight line	3-8 years

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

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

2.14 Investment property

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

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

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

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

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

2.14 Investment property-continued

Fair value

Subsequent to initial measurement, investment property is measured at fair value.

Fair values are determined based on an annual valuation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

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

2.15 Financial instruments

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

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

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

Classification of financial assets

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

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

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

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

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

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

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)
- The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

Financial liabilities and equity

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

Financial liabilities at FVTPL

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

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

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

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

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

Financial liabilities measured subsequently at amortised cost

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

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

2.15.1 Trade and Other Receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (Note 28).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Trade and Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

Trade and Other receivables amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. Trade receivables are reviewed at every reporting period for impairment.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus, if any in the case of all financial assets not carried at fair value through profit and loss, transaction costs that are directly attributable to their acquisition.

Trade and other receivables are carried at amortised cost using the effective interest method.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income (Note 12).

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Group measures the loss allowance for trade and other receivables which do not contain a significant financing component at an amount equal to lifetime expected credit losses (lifetime ECL). The loss allowance for all other trade and other receivables is measured at lifetime ECL when there has been a significant increase in credit risk since initial recognition. If the credit risk on these receivables has not increased significantly since initial recognition, then the loss allowance for those receivables is measured at 12 month expected credit losses (12 month ECL).

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a receivable is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk has not increased significantly since initial recognition.

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

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the Group consider that a default event has occurred if there is either a breach of financial covenants by the counterparty, or if internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

Irrespective of the above analysis, the Group considers that default has occurred when a receivable is more than 90 days past due unless there is reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2.15.2 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and on hand, which are subject to an insignifcant risk of changes in value and are stated at carrying amount which is deemed to be fair value.

2.15.3 Borrowings and Loans from Related Parties

Borrowings and loans from related parties are recognised when the Group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (Note 12.)

Borrowings expose the Group to liquidity risk and interest rate risk. Refer to Note 6 for details of risk exposure and management thereof.

2.15.4 Trade and Other Payables

Trade and other payables (Note 36), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (Note 12).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to Note 6 for details of risk exposure and management thereof.

2.15.5 Bank Overdrafts

Bank overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

2.15.6 Derecognition

Financial Assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial Liabilities

The Group derecognises financial liabilities when, and only when, the Group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.15.7 Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.16 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimatedcosts necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.17 Impairment of Non-Financial Assets

The Group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Irrespective of whether there is any indication of impairment, the Group also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually or when circumstances indicate that the carrying value may be impaired.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

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

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

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the units. The impairment loss is allocated to reduce the carrying amount of the assets of the unit in the following order:

- first, to reduce the carrying amount of any goodwill allocated to the cash-generating unit and
- then, to the other assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

2.18 Provisions and contingencies

Provisions are recognised when:

- the Group has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- Property, plant and equipment
- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;

- the expenditures that will be undertaken; and
- when the plan will be implemented; and

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in Note 44.

2.19 Employee benefits

Short-term employee benefits

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

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

Defined contribution plans

A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. The company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

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

Other long-term employee benefits

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

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

- the cost of the additional benefits that members accrue during the year based on projected benefit at future payment date (current service cost) (see note 16);
- plus net interest on the net liability, i.e.
  - interest cost on the accrued defined benefit obligation
  - interest income on the fair value of plan assets (if any)
- plus or minus the amount required to recognise actuarial losses or gains for other long term benefits type of plans pursuant with IAS 19 (revised 2011) provisions.

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

- Property, plant and equipment
- the deficit in the plan; (see note 43)
- plus the effect of asset ceiling, if applicable.

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

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

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

2.20 Deferred Income

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

The difference between the transaction price and the valuation amount commonly referred to as 'day one gain or loss', is deferred and either amortised over the life of the transaction, deferred until the instrument's fair value can be determined using market-observable inputs, or realised when the financial instrument is derecognised. The Group's day one gains are attributable to loans and advances from the Bank of Industry. (see note 36)

2.21 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amount received from the issue of shares in excess of par value is classified as 'share premium' in equity. Dividends are recognised as a liability in the Group in which they are declared.

2.22 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.

3. Significant judgements and sources of estimation uncertainty

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

Critical judgements in applying accounting policies
The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Investment Property Valuation
The Group valued its investment property in the open market using the Depreciated Replacement Cost method of valuation. This method of valuation seeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) and other infrastructural facilities on it, including professional fees and finance costs LESS an allowance for depreciation to account for age, wear and tear and obsolescence, where applicable.

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

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

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

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

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

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

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

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

The Group has assessed that revenue earned from service charge will be satisfied as the Host good or service is being satisfied.

For rooms and other services: revenue earned from service charge levied on rooms and other services will be recognised over time, in line with how revenue from rooms and other services is being recognised.

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

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

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

Key sources of estimation uncertainty
Impairment testing
The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The fair value of the assets of is based on the market value. This is the price which an asset may be reasonably expected to be realised in a sale in a private contract. These estimates are most relevant to goodwill with indefinite useful lives recognised by the Group.

Useful lives of property, plant and equipment
Property, Plant and equipment represent one of the most significant proportions of the asset base of the Group, accounting for about 90% of the Group's total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the Group's financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in the reduced depreciation charge in the statement of comprehensive income.

Management assesses the appropriateness of the useful lives of property, plant and equipment at the end of each reporting period. The useful lives of motor vehicles, furniture and computer equipment are determined based on Group replacement policies for the various assets. Individual assets within these classes, which have a significant carrying amount are assessed separately to consider whether replacement will be necessary outside of normal replacement parameters.

When the estimated useful life of an asset differs from previous estimates, the change is applied prospectively in the determination of the depreciation charge.

Provision for expected credit losses of trade receivables and contract assets

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

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

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 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

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

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

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

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

The group has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.

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

Amendments to IAS 12 Income Taxes— International Tax Reform—Pillar Two Model Rules

The group has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top-up taxes described in those rules.

The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

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

The group has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.

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

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

1) Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
2) Amendments to IAS 1 Classification of Liabilities as Current or Non-current

3) Amendments to IAS 1 Non-current Liabilities with Covenants
4) Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
5) Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

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

Amendments to IAS 1 Classification of Liabilities as Current or Non-current
The amendments to IAS 1 published in January 2020 affect only the presentation of liabilities as current or noncurrent in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

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

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

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

Amendments to IAS 1 Non-current Liabilities with Covenants
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 noncurrent). 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.

The amendments are applied retrospectively for annual reporting periods beginning on or after 1 January 2024. Earlier application of the amendments is permitted. If an entity applies the amendments for an earlier period, it is also required to apply the 2020 amendments early. The Directors anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods should such transactions arise.

5. Segment information

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

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

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

Segment by entity	Transcorp Hotels Calabar Limited ₦'000	Company Transcorp Hotels Plc ₦'000	Other Segments ₦'000	Group Transcorp Hotels Plc ₦'000
	For the year ended 31 December 2023			
Rooms	-	26,702,271	-	26,702,271
Food & Beverage	-	13,038,165	-	13,038,165
Shop rental	-	1,175,597	-	1,175,597
Service charge	-	175,778	-	175,778
Recreation Service	-	201,625	-	201,625
Secretarial Service	-	75,428	-	75,428
Accommodation and experiences	-	-	17,591	17,591
Other operating revenue	-	69,422	-	69,422
Total revenue from contracts with customers	**-**	**41,438,286**	**17,591**	**41,455,877**
Cost of Sales				
Rooms	-	(3,865,914)	-	(3,865,914)
Food and beverages	-	(7,553,043)	-	(7,553,043)
Other operating cost	-	(251,536)	-	(251,536)
Total Cost of Sales	**-**	**(11,670,493)**	**-**	**(11,670,493)**
Gross Profit	**-**	**29,767,793**	**17,591**	**29,785,384**
Other operating income *	-	1,657,295	(5,904)	1,605,855
Impairment gains/(losses) on financial assets**	-	(874,206)	-	21,862
Impairment losses on non-current assets held for sale***	-	(1,008,621)	-	(1,011,644)
Operating expenses****	-	(17,084,072)	(176,401)	(17,257,256)
Operating Income	**-**	**12,458,189**	**(164,714)**	**13,144,201**
Finance cost*****	-	(3,904,012)	(1,022)	(3,904,012)
Finance income******	-	268,885	-	241,864
Profit before tax	**-**	**8,823,062**	**(165,736)**	**9,482,053**
Income tax	-	(3,228,087)		(3,228,087)
Profit after tax	**-**	**5,594,975**	**(165,736)**	**6,253,966**

* The total other operating income for the Group has factored in the elimination of (1) the fair value gain on Investment property which is transferred to Property, Plant, and Equipment at cost on consolidation, and (2) the lease income from the lease arrangement between Transcorp Hotels Plc (lessor) and Transcorp Hotels Port Harcourt (lessee).
** The total impairment gains/(losses) on financial assets for the Group has factored in the elimination of impairment loss provision for receivables from Transcorp Hotels Calabar, Transcorp Hotels Ikoyi, Transcorp Hotels Port-harcourt and, Aura by Transcorp Hotels.

***The total impairment loss on non-current assets held for sale for the Group has factored in the net elimination and adjustment for fair value loss on investment in subsidiaries and impairment loss on Goodwill, respectively

**** The total operating expenses for the Group has factored in the elimination of the depreciation on right of use of assets in Transcorp Hotels Port Harcourt.

***** The total finance cost for the Group has factored in the elimination of (1) the interest cost on lease liability in Transcorp Hotels Port Harcourt and (2) the interest cost on the loan to Transcorp Hotels Calabar.

****** The total finance income for the Group has factored in the elimination of the interest income on loan from parent in Transcorp Hotels Calabar.

Assets:	Transcorp Hotels Calabar Limited	Company Transcorp Hotels Plc	Other Segments	Group Transcorp Hotels Plc
Property, plant and equipment	-	94,536,569	10,563,651	107,814,320
Right of use asset	-	-	48,239	-
Investment property	-	1,740,549	-	-
Goodwill	-	-	-	-
Other intangible assets	-	103,788	35,813	139,601
Investment in subsidiaries	-	21,220	-	-
Investment in financial asset	-	300,075	-	300,075
Long term receivables	-	8,790,828	-	-
Current Assets	-	15,028,197	65,434	14,942,057
Assets classified as held for sale	-	2,500,000	-	2,898,863
Total assets	**-**	**123,021,226**	**10,713,137**	**126,094,916**
Equity and liabilities:				
Issued capital	-	5,121,264	12,100	5,121,264
Share premium	-	12,548,859	10,000	12,548,859
Non-controlling Interest	-	-	-	(150,393)
Other reserves	-	(37,850)	-	(37,850)
Retained earnings	-	48,924,981	(480,205)	49,314,490
Total equity	**-**	**66,557,254**	**(458,105)**	**66,796,370**
Total liabilities	-	56,463,972	11,811,584	59,298,546
Total equity and liabilities	**-**	**123,021,226**	**11,353,479**	**126,094,916**

Segments by entity	Transcorp Hotels Calabar Limited ₦'000	Company Transcorp Hotels Plc ₦'000	Other Segments ₦'000	Group Transcorp Hotels Plc ₦'000
	For the year ended 31 December 2022			
Rooms	-	19,151,138	-	19,151,138
Food and beverages	-	9,785,311	-	9,785,311
Shop rental	-	1,055,726	-	1,055,726
Service charge	-	89,018	-	89,018
Recreation Service	-	253,865	-	253,865
Secretarial Service	-	59,400	-	59,400
Accommodation and experiences	-	-	6,499	6,499
Other operating revenue	-	38,262	-	38,262
Total revenue from contracts with customers	**-**	**30,432,720**	**6,499**	**30,439,219**
Cost of Sales				
Rooms	-	(3,367,103)	-	(3,367,103)
Food and beverages	-	(4,851,662)	-	(4,851,662)
Other operating cost	-	(482,888)	(79)	(482,967)
Total Cost of Sales	**-**	**(8,701,653)**	**(79)**	**(8,701,732)**
Gross Profit	-	21,731,067	6,420	21,737,487
Other operating income *	-	994,739	12,210	961,918
Impairment gains/(losses) on financial assets		(75,378)	-	(68,573)
Operating expenses	-	(13,691,138)	(165,927)	(13,863,869)
Operating Profit/(Loss)	**-**	**8,959,290**	**(147,297)**	**8,766,963**
Finance cost	-	(4,141,497)	-	(4,141,497)
Finance income	-	33,240	-	8,557
Profit/(loss) before tax	-	4,851,033	(147,297)	4,634,023
Income tax	-	(1,771,501)	(39)	(1,771,540)
Profit/(loss) after tax	**-**	**3,079,532**	**(147,336)**	**2,862,483**

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

Assets:	Transcorp Hotels Calabar Limited	Company Transcorp Hotels Plc	Other Segments	Group Transcorp Hotels Plc
Property, plant and equipment	1,732,013	93,369,335	10,796,238	107,971,345
Right of use asset	-	-	51,455	-
Investment property	-	1,717,765	-	-
Goodwill	-	-	-	1,974,756
Other intangible assets	809	119,265	38,782	158,856
Investment in subsidiaries	-	3,529,841	-	-
Investment in financial asset	-	300,075	-	300,075
Long term receivables	-	8,418,588	-	-
Deferred tax assets	-	-	-	-
Current Assets	329,624	10,461,815	37,945	10,082,350
Total assets	**2,062,446**	**117,916,684**	**10,924,420**	**120,487,382**
Equity and liabilities:				
Issued capital	7,690	5,121,264	12,100	5,121,264
Share premium	1,342,310	12,548,859	10,000	12,548,859
Non-controlling Interest	-	-	-	(87,520)
Retained earnings	(186,485)	45,378,512	(314,725)	45,207,010
Total equity	**1,163,515**	**63,048,635**	**(292,625)**	**62,789,613**
Total liabilities	898,931	54,868,049	11,217,045	57,697,769
Total equity and liabilities	**2,062,446**	**117,916,684**	**10,924,420**	**120,487,382**

Other segments include the three other subsidiaries in the Group; Aura by Transcorp Hotels, Transcorp Hotels Ikoyi, and Transcorp Hotels Port Harcourt.

6. Financial Instruments and Risk Management

6.1 Capital risk management

The Group's objective when managing capital (which includes share capital, retained earnings, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

The Group's policy is to keep the gearing ratio between 20% and 70% and a minimum B credit rating. The Group includes within net debt, interest bearing loans and borrowings, less cash and bank balances.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing in the current year (2022: same).

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2023 and 2022.

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

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Borrowings (Note 26)	20,654,703	23,959,577	20,654,703	23,959,577
Less: cash and bank balance (Note 31)	(8,978,578)	(5,183,097)	(8,933,233)	(5,101,419)
Net debt	**11,676,125**	**18,776,480**	**11,721,470**	**18,858,158**
Total capital: Equity	66,796,370	62,789,614	66,557,254	63,048,635
Capital and net debt	**78,472,495**	**81,566,094**	**78,278,724**	**81,906,793**
Gearing ratio	17%	30%	18%	30%

6.2. Financial risk management

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

- Market risk (currency risk, and interest rate risk);
- Credit risk; and
- Liquidity risk;

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 finance and investment committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

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

6.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices such as interest rate, and exchange rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign Currency risk

The Group is exposed to foreign currency risk as a result of certain transactions which are denominated in foreign currencies. Exchange rate exposures are managed within approved procurement policy. The foreign currencies in which the Group deals primarily are US Dollars, GB Pounds and Euros.

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency).
There have been no significant changes in the foreign currency risk management policies and processes since the prior reporting year.

Exposure in foreign currency amounts

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

	Group		Company	
Cash and short term deposits	**2023 '000**	**2022 '000**	**2023 '000**	**2022 '000**
a) USD	5,378	5,400	5,378	5,381
b) GBP	9	33	9	33
c) Euro	22	3	22	3
Trade and other payables				
a) USD	1,304	1,590	1,304	1,590
Interest bearing loans and borrowings				
a) USD	-	-	-	-

Foreign Currency Sensitivity Analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the prior reporting year.

Group **Increase or Decrease in Rate**	**2023 Increase**	**2023 Decrease**	**2022 Increase**	**2022 Decrease**
US Dollars 5% (2022:5%)	174,207	(174,207)	83,549	(83,549)
Euro 5% (2022:5%)	1,071	(1,071)	67	(67)
GB Pounds (2022:5%)	503	(503)	829	(829)
	175,781	**(175,781)**	**84,445**	**(84,445)**

Company **Increase or Decrease in Rate**	**2023 Increase**	**2023 Decrease**	**2022 Increase**	**2022 Decrease**
US Dollars 5% (2022:5%)	174,207	(174,207)	84,284	(82,284)
Euro 5% (2022:5%)	1,071	(1,071)	67	(67)
GB Pounds (2022:5%)	503	(503)	829	(829)
	175,781	**(175,781)**	**85,180**	**(83,180)**

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates is being reduced since the Group's long-term debt obligations are fixed interest rates.

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					
31-Dec-23	Current ₦'000	<30 days ₦'000	30–60 days ₦'000	61–90 days ₦'000	>91 days ₦'000	Total ₦'000
Third party receivables						
Expected credit loss rate	0.45%	1.01%	2.07%	3.73%	12.51%	
Estimated total gross carrying amount at default	697,696	476,065	289,816	87,942	47,247	1,598,766
Expected credit loss	**3,138**	**4,805**	**6,013**	**3,282**	**5,908**	**23,146**

31-Dec-22	Current	<30 days	30–60 days	61–90 days	>91 days	Total
Third party receivables						
Expected credit loss rate	1.73%	3.30%	7.28%	8.78%	5.87%	
Estimated total gross carrying amount at default	520,340	288,408	271,507	79,388	74,610	1,234,253
Expected credit loss	**8,983**	**9,507**	**19,754**	**6,974**	**4,378**	**49,596**

	Trade receivables - Company					
	Days past due					
31-Dec-23	Current ₦'000	<30 days ₦'000	30–60 days ₦'000	61–90 days ₦'000	>91 days ₦'000	Total ₦'000
Third party receivables						
Expected credit loss rate	0.45%	1.01%	2.07%	3.73%	12.51%	
Estimated total gross carrying amount at default	697,696	476,065	289,816	87,942	47,247	1,598,766
Expected credit loss	**3,138**	**4,805**	**6,013**	**3,282**	**5,908**	**23,146**

31-Dec-22	Current	<30 days	30–60 days	61–90 days	>91 days	Total
Third party receivables						
Expected credit loss rate	1.75%	3.21%	7.28%	9.02%	20.04%	
Estimated total gross carrying amount at default	472,000	283,966	270,720	75,663	8,002	1,110,351
Expected credit loss	**8,240**	**9,106**	**19,710**	**6,826**	**1,604**	**45,486**

Reconciliation of Loss Allowances on Third Party Receivables

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

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
As at 1 January	49,596	56,711	45,486	28,952
Charge/(credit) for the year (Note 27.1)	(22,341)	64,273	(22,341)	68,573
Transfer to assets classified as held for sale	(4,110)	-	-	-
Write-off	-	(71,388)	-	(52,039)
As at 31 December	**23,145**	**49,596**	**23,145**	**45,486**

Related party receivables (Note 28.2)

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Expected credit loss rate	0.04%	0.00%	39.01%	0.07%
Estimated total gross carrying amount at default	1,167,096	-	2,142,938	773,904
Expected credit loss	**479**	**-**	**835,907**	**553**

Reconciliation of Loss Allowances on Intercompany Receivables

	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
As at 1 January	-	-	553	-
Charged for the year (Note 28.2)	479	-	835,354	553
As at 31 December	**479**	**-**	**835,907**	**553**

Long-term receivables (Note 42.1)

	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Expected credit loss rate	0.00%	0.00%	0.76%	0.07%
Estimated total gross carrying amount at default	-	-	8,858,273	8,424,840
Expected credit loss	**-**	**-**	**67,445**	**6,252**

Reconciliation of Loss Allowances on Intercompany Receivables

	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
As at 1 January	-	-	6,252	-
Charged for the year	-	-	61,193	6,252
As at 31 December	**-**	**-**	**67,445**	**6,252**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates. There are no credit ratings for Transcorp Hotels Plc's trade and other receivables. Credit ratings from Global Credit Rating Co. (GCR) are highlighted below:

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Cash at bank and short-term deposits A1+(nga)	8,961,722	5,156,384	8,916,377	5,075,391
Unrated cash and cash equivalents	16,856	26,713	16,856	26,028
Unrated trade and other receivables	4,312,727	3,220,475	4,444,212	3,793,545
Maximum credit exposure	**13,291,305**	**8,403,572**	**13,377,445**	**8,894,964**

6.2.2 Credit risk

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

(i) Risk management

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

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

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

	2023			2022		
Group	**Gross Carrying Amount**	**Credit Loss Allowance**	**Amortised Cost/Fair Value**	**Gross Carrying Amount**	**Credit Loss Allowance**	**Amortised Cost/Fair Value**
Trade and other receivables	4,336,352	(23,625)	4,312,727	3,270,071	(49,596)	3,220,475
Cash and bank balances	8,978,578	-	8,978,578	5,183,097	-	5,183,097
	13,314,930	**(23,625)**	**13,291,305**	**8,453,168**	**(49,596)**	**8,403,572**

	2023			2022		
Company	**Gross Carrying Amount**	**Credit Loss Allowance**	**Amortised Cost/Fair Value**	**Gross Carrying Amount**	**Credit Loss Allowance**	**Amortised Cost/Fair Value**
Trade and other receivables	5,303,265	(859,053)	4,444,212	3,839,585	(46,040)	3,793,545
Cash and bank balances	8,933,233	-	8,933,233	5,101,419	-	5,101,419
	14,236,498	**(859,053)**	**13,377,445**	**8,941,004**	**(46,040)**	**8,894,964**

(ii) Security

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

(iii) Impairment of trade receivables

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

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 28. 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.

(iv) Impairment of other financial assets

Expected credit loss measurement - other financial assets

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

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

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

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Excessive risk concentration

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

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

6.2.3 Liquidity risk

The group is exposed to liquidity risk, which is the risk that the group will encounter difficulties in meeting its obligations as they become due as a result of obligations, cash requirements from contractual commitments, or other cash outflows, such as debt maturities. Such outflows would deplete available cash resources for operational, trading and investments activities. In extreme circumstances, lack of liquidity could result in reductions in the consolidated financial position and sales of assets, or potentially an inability to fulfil obligations and commitments.

The group manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

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

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

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Group Year ended 31 December 2023	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total days ₦'000
Borrowings	2,365,863	1,169,145	3,631,577	15,032,201	-	22,198,785
Deposit for shares (Note 40)	-	-	-	2,410,000	-	2,410,000
Trade and other payables (Note 38)	-	9,375,405	13,155,424	-	-	22,530,829
Trade and other receivables (Note 28)	-	(4,336,352)	-	-	-	(4,336,352)
	2,365,863	**6,208,198**	**16,787,001**	**17,442,201**	**-**	**42,803,262**

Year ended 31 December 2022	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total days ₦'000
Borrowings	467,518	1,218,376	6,160,485	17,416,788	907,403	26,170,570
Deposit for shares (Note 40)	-	-	-	2,410,000	-	2,410,000
Trade and other payables (Note 38)	-	7,240,071	12,885,522	-	-	20,125,593
Trade and other receivables (Note 28)	-	(3,270,071)		-	-	(3,270,071)
	467,518	**5,188,376**	**19,046,007**	**19,826,788**	**907,403**	**45,436,092**

Company

Year ended 31 December 2023	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total days ₦'000
Borrowings	2,365,863	1,169,145	3,631,577	15,032,201	-	22,198,785
Trade and other payables (Note 38)	-	9,349,734	13,155,424	-	-	22,505,158
Trade and other receivables (Note 28)	-	(5,303,265)	-	-	-	(5,303,265)
	2,365,863	**5,215,614**	**16,787,001**	**15,032,201**	**-**	**39,400,678**

Year ended 31 December 2022	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1 to 5 years ₦'000	> 5 years ₦'000	Total days ₦'000
Borrowings	467,518	1,218,376	6,160,485	17,416,788	907,403	26,170,570
Trade and other payables (Note 38)	-	9,349,734	13,155,424	-	-	19,710,927
Trade and other receivables (Note 28)	-	(3,839,585)	-	-	-	(3,839,585)
	467,518	**6,728,525**	**19,315,909**	**17,416,788**	**907,403**	**42,041,912**

The trade and other payables balance is largely driven by balances due to related parties and shown as current as there are no specific terms though not expected to settle in the short term.

7. Fair value information

Accounting classification and Fair value measurements

The table below summarises the carrying amounts and fair values of the financial assets and liabilities.

Fair value measurement hierarchy for liabilities and assets as at 31 December 2023 and 2022:

Group 31 December 2023 Amounts in (N'000)	Note	Carrying Amount Fair Value - Through PorL	Financial Assets Measured at Amortised Cost	Fair Value - Through OCI	Total	Fair Value Amortized Cost	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value										
Investment in financial asset	30.	-	-	300,075	300,075	-	-	-	300,075	300,075
		-	-	-	-	-	-	-	-	-
Financial Assets not Measured at Fair Value										
Trade and other receivables	28.	-	2,742,237	-	2,742,237	2,742,237	-	-	-	2,742,237
Cash and bank balances	31.	-	8,978,578	-	8,978,578	8,978,578	-	-	-	8,978,578
		-	**11,720,815**	-	**11,720,815**	**11,720,815**	-	-	-	**11,720,815**
Financial Liabilities not Measured at Fair Value										
Borrowings	26.	-	20,654,703	-	20,654,703	20,654,703	-	-	-	20,654,703
Deposit for shares	40.	-	2,410,000	-	2,410,000	2,410,000	-	-	-	2,410,000
Trade and other payables	38.	-	22,530,829	-	22,530,829	22,530,829	-	-	-	22,530,829
		-	**45,595,532**	-	**45,595,532**	**45,595,532**	-	-	-	**45,595,532**

Group
31 December 2022
Amounts in (N'000)

Financial Assets Measured at Fair Value		-	-	75	75	-	-	-	75	75
		-	**-**	**75**	**75**	**-**	**-**	**-**	**75**	**75**
Financial Assets not Measured at Fair Value										
Trade and other receivables	28.	-	1,222,134	-	1,222,134	1,222,134	-	-	-	1,222,134
Investment in financial asset	30.		300,000		300,000	300,000	-	-	-	300,000
Cash and bank balances	31.	-	5,183,097	-	5,183,097	5,183,097	-	-	-	5,183,097
		-	**6,705,231**	**-**	**6,705,231**	**6,705,231**	**-**	**-**	**-**	**6,705,231**
Financial Liabilities not Measured at Fair Value										
Borrowings	26.	-	23,959,577	-	23,959,577	23,959,577	-	-	-	23,959,577
Deposit for shares	40.	-	2,410,000	-	2,410,000	2,410,000	-	-	-	2,410,000
Trade and other payables	38.	-	20,125,593	-	20,125,594	20,125,594	-	-	-	20,125,594
		-	**46,495,170**	**-**	**46,495,171**	**46,495,171**	**-**	**-**	**-**	**46,495,171**

Company

31 December 2023 **Amounts in (N'000)**	**Note**	**Fair Value - Through PorL**	**Financial Assets Measured at Amortised Cost**	**Fair Value - Through OCI**	**Total**	**Amortized Cost**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-Financial Assets Measured at Fair Value										
Investment Property	21.	1,740,549	-	-	1,740,549	-	-	1,740,549	-	1,740,549
		1,740,549	**-**	**-**	**1,740,549**	**-**	**-**	**1,740,549**	**-**	**1,740,549**
Financial Assets Measured at Fair Value										
Investment in financial asset	30.			300,075	300,075				300,075	300,075
		-	-	-	-	-	-	-	-	-
Financial Assets not Measured at Fair Value										
Trade and other receivables	28.	-	2,882,651	-	2,882,651	2,882,651	-	-	-	2,882,651
Cash and bank balances	31.	-	8,933,233	-	8,933,233	8,933,233	-	-	-	8,933,233
Long term receivables	42.1	-	8,790,828	-	8,790,828	8,790,828	-	-	-	8,790,828
		-	**20,606,712**	**-**	**20,606,712**	**20,606,712**	**-**	**-**	**-**	**20,606,712**
Financial Liabilities not Measured at Fair Value										
Borrowings	26.	-	23,959,577	-	23,959,577	23,959,577	-	-	-	23,959,577
Trade and other payables	38.	-	22,505,158	-	22,505,158	22,505,158	-	-	-	22,505,158
		-	**46,464,735**	**-**	**46,464,735**	**46,464,735**	**-**	**-**	**-**	**46,464,735**

Company

31 December 2022
Amounts in (N'000)

Non-Financial Assets Measured at Fair Value										
Investment Property	21.	1,717,765	-	-	1,717,765	-	-	1,717,765	-	1,717,765
		1,717,765	-	-	**1,717,765**	-	-	**1,717,765**	-	**1,717,765**
Financial Assets Measured at Fair Value										
Investment in financial asset	30.			75	75				75	75
		-	-	**75**	**75**	-	-	-	**75**	**75**
Financial Assets not Measured at Fair Value										
Trade and other receivables	28.	-	1,838,017	-	1,838,017	1,838,017	-	-	-	1,838,017
Investment in financial asset	30.		300,000		300,000	300,000	-	-	-	300,000
Cash and bank balances	31.	-	5,101,419	-	5,101,419	5,101,419	-	-	-	5,101,419
Long term receivables	42.1	-	8,418,588	-	8,418,588	8,418,588	-	-	-	8,418,588
		-	**15,658,024**	-	**15,658,024**	**15,658,024**	-	-	-	**15,658,024**
Financial Liabilities not Measured at Fair Value										
Borrowings	26.	-	23,959,577	-	23,959,577	23,959,577	-	-	-	23,959,577
Trade and other payables	38.	-	19,710,927	-	19,710,927	19,710,927	-	-	-	19,710,927
		-	**43,670,504**	-	**43,670,504**	**43,670,504**	-	-	-	**43,670,504**

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

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

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

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

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

Valuation processes applied by the Group
The following fair valuation methods and assumptions were used:

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

8. Interests in Subsidiaries including Consolidated Structure Entities

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

	Principal activities	Country of incorporation	% equity interest	
Name			**2023**	**2022**
Transcorp Hotels Calabar Limited	Hospitality	Nigeria	100	100
Transcorp Hotels Port Harcourt Limited	Hospitality	Nigeria	100	100
Transcorp Hotels Ikoyi Limited	Hospitality	Nigeria	58	58
Aura by Transcorp Hotels Limited	Hospitality	Nigeria	60	60

Investment in subsidiaries

Name	2023 ₦'000	2022 ₦'000
Transcorp Hotels Calabar Limited	-	3,508,621
Transcorp Hotels Port Harcourt Limited	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
Aura by Transcorp Hotels Limited	60	60
	21,220	**3,529,841**

8.1 Movement in investment in subsidiaries

	2023 ₦'000	2022 ₦'000
As at 1 January	3,529,841	-
Impairment loss on investment in subsidiary (Note 14)	(1,008,621)	-
Transfer to assets classified as assets held for sale	(2,500,000)	-
	21,220	-

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

Entity with significant influence over the Group
Ministry of Finance Incorporated owns 11.04% of the ordinary shares of Transcorp Hotels Plc (2022: 11.04%).

Non-controlling interest

- Heirs Holdings Ltd owns 42% of the ordinary shares of Transcorp Hotels Ikoyi Limited (2022: 42%).
- Transnational Corporation Plc. and Heirs Holdings Ltd own 20% each of the ordinary shares of Aura by Transcorp Hotels Ltd (2022: 20% each)

Condensed results of subsidiaries

Transcorp Hotels Calabar Limited

The statement of profit or loss and other comprehensive income:	2023 ₦'000	2022 ₦'000
Revenue from contract with customers	1,244,738	1,002,696
Cost of sales	(418,977)	(350,525)
Gross profit	**825,761**	**652,171**
Other operating income	12,119	7,325
Operating expenses	(992,662)	(766,677)
Operating (loss)	**(154,782)**	**(107,181)**
Finance cost	(27,123)	(24,519)
(Loss) before tax	**(181,905)**	**(131,700)**
Income tax expense	(6,224)	(137,569)
(Loss) for the year	**(188,129)**	**(269,269)**

Transcorp Hotels Calabar Limited

The statement of financial position:	2023 ₦'000	2022 ₦'000
Assets:		
Property, plant and equipment	1,623,229	1,732,013
Intangible assets	131	809
Current assets	312,391	329,623
Total assets	**1,935,751**	**2,062,445**
Equity and liabilities:		
Issued capital	7,690	7,690
Share premium	1,342,310	1,342,310
Retained earnings	(374,616)	(186,487)
Total equity	**975,384**	**1,163,513**
Current liabilities	960,367	898,932
Total equity and liabilities	**1,935,751**	**2,062,445**

Aura by Transcorp Hotels Limited

The statement of profit or loss and other comprehensive income:	2023 ₦'000	2022 ₦'000
Revenue from contract with customers	17,591	6,499
Other income/(expense)	(12,649)	188
Operating expenses	(151,393)	(158,309)
(Loss) before tax	**(146,451)**	**(151,622)**
Income tax expense	-	-
(Loss) for the year	**(146,451)**	**(151,622)**

Aura by Transcorp Hotels Limited

The statement of financial position:	2023 ₦'000	2022 ₦'000
Assets:		
Property, plant and equipment	3,622	5,118
Intangible assets	35,813	38,782
Current assets	53,434	25,945
Total assets	**92,869**	**69,845**
Equity and liabilities:		
Issued capital	100	100
Share premium	-	-
Accumulated Loss	(367,447)	(220,996)
Total equity	**(367,347)**	**(220,896)**
Current liabilities	460,216	290,741
Total equity and liabilities	**92,869**	**69,845**

Transcorp Hotels Port Harcourt Limited

The statement of profit or loss and other comprehensive income:	2023 ₦'000	2022 ₦'000
Revenue from contract with customers	-	-
Cost of sales	-	-
Gross profit	**-**	**-**
Operating expenses	(8,808)	(7,572)
(Loss) before tax	**(8,808)**	**(7,572)**
Income tax expense	-	-
(Loss) for the year	**(8,808)**	**(7,572)**

Transcorp Hotels Port Harcourt Limited
The statement of financial position:

Assets:		
Property, plant and equipment	-	640,343
Right of use asset	48,239	51,455
Current assets	10,000	10,000
Total assets	**58,239**	**701,798**
Equity and liabilities:		
Issued capital	10,000	10,000
Share premium	10,000	10,000
Accumulated Loss	(88,790)	(79,982)
Total equity	**(68,790)**	**(59,982)**
Non-current liabilities	-	-
Current liabilities	767,372	761,781
Total equity and liabilities	**698,582**	**701,799**

Transcorp Hotels Ikoyi Limited
The statement of profit or loss and other comprehensive income:

	2023 ₦'000	2022 ₦'000
Revenue from contract with customers	-	-
Cost of sales	-	-
Gross profit	**-**	**-**
Rental Income	7,000	12,000
Operating expenses	(17,222)	(10,025)
(Loss)/profit before tax	**(10,222)**	**1,975**
Income tax expense	-	(40)
(Loss)/profit for the year	**(10,222)**	**1,935**

Transcorp Hotels Ikoyi Limited
The statement of financial position:

Assets:		
Property, plant and equipment	10,560,028	10,150,777
Current assets	2,000	2,000
Total assets	**10,562,028**	**10,152,777**
Equity and liabilities:		
Issued capital	2,000	2,000
Accumulated Loss	(23,968)	(13,747)
Total equity	**(21,968)**	**(11,747)**
Non-current liabilities	-	-
Current liabilities	10,583,996	10,164,523
Total equity and liabilities	**10,562,028**	**10,152,776**

9. Revenue

	Group		Company	
	31 Dec 2023 ₦'000	**31 Dec 2022 ₦'000**	**31 Dec 2023 ₦'000**	**31 Dec 2022 ₦'000**
Rooms	26,702,271	19,151,138	26,702,271	19,151,138
Food and beverages	13,038,165	9,785,311	13,038,165	9,785,311
Service Charge	175,778	89,018	175,778	89,018
Shop Rental	1,175,597	1,055,726	1,175,597	1,055,726
Accomodation and experiences	17,591	6,499	-	-
Recreation Service	201,625	253,865	201,625	253,865
Secretarial Service	75,428	59,400	75,428	59,400
Other operating revenue	69,422	38,262	69,422	38,262
	41,455,877	**30,439,219**	**41,438,286**	**30,432,720**

10. Cost of sales

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Rooms	3,865,914	3,367,103	3,865,914	3,367,103
Food and beverages	7,553,043	4,851,662	7,553,043	4,851,662
Other operating costs	251,536	482,967	251,536	482,888
Total cost of sales	**11,670,493**	**8,701,732**	**11,670,493**	**8,701,653**

11. Other operating income

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Net gain/(loss) on disposal of property, plant and equipment	36,098	(3,195)	36,098	317
(Loss) on disposal of intangible assets	(17,970)	-	-	-
Change in fair value of investment property (Note 21)	-	-	22,784	22,765
Key money (Note 37.2)	152,825	152,825	152,825	152,825
Deferred income (Note 36)	447,996	464,459	447,996	464,459
Net unrealised foreign exchange gain	917,390	250,591	917,390	250,492
Net realised foreign exchange gain	14,075	-	14,075	-
Other operating income	55,441	97,238	66,127	103,881
Total net other operating income	**1,605,855**	**961,918**	**1,657,295**	**994,739**

12. Finance costs/ income

12.1 Finance costs

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Interest on debts and borrowings	3,116,636	3,268,881	3,116,636	3,268,881
Interest on Intercompany loan payables	1,005,679	809,197	1,005,679	809,197
Interest cost from actuarial valuation (Note 43)	24,210	-	24,210	-
Other finance cost	92,564	63,419	92,564	63,419
	4,239,089	**4,141,497**	**4,239,089**	**4,141,497**
Less: Capitalised borrowing cost	(335,077)	-	(335,077)	-
Total finance costs	**3,904,012**	**4,141,497**	**3,904,012**	**4,141,497**

The prior year's total finance cost was re-presented to show the different components of the finance cost.

12.2 Finance income

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Interest on bank deposits	162,477	3,372	162,223	2,870
Interest on intercompany loan receivables	79,387	5,185	106,662	30,370
Total finance income	**241,864**	**8,557**	**268,885**	**33,240**

The prior year's total finance income was re-presented to show the different components of the finance income.

13. Impairment losses/(gains) on financial assets

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Trade receivables	(22,341)	68,573	(22,341)	68,573
Receivables from related parties	479	-	835,354	553
Receivables from related parties (long term receivables)	-	-	61,193	6,252
	(21,862)	**68,573**	**874,206**	**75,378**

14. Impairment losses on non-current assets

	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Impairment loss on investment in subsidiaries (Note 8)	-	-	1,008,621	-
Impairment loss on Goodwill (Note 23)	1,011,644	-	-	-
	1,011,644	**-**	**1,008,621**	**-**

15. Operating expenses

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Advertising	828,812	370,108	801,302	345,617
Amortisation (Note 22)	35,776	31,767	28,277	28,418
Auditors remuneration	54,454	44,900	49,140	37,800
Bank charges	543,958	418,896	543,906	418,783
Consulting and professional fees	138,683	62,903	131,034	56,642
Depreciation (Note 20)	2,455,432	2,478,421	2,454,008	2,477,531
Directors' remuneration	207,078	205,074	207,078	178,372
Donations	8,170	5,219	8,170	5,219
Employee costs	2,477,202	2,023,175	2,410,841	1,946,991
Energy cost	2,425,165	2,026,919	2,425,165	2,026,919
Group services and benefits	904,961	736,526	904,961	736,526
Insurance	636,002	469,073	635,528	460,931
IT expenses	236,454	195,523	214,120	177,096
Licenses, fees and rates	44,918	98,442	37,518	96,377
Management fees *	2,596,657	1,819,118	2,596,657	1,819,118
Medical expenses	50,190	64,542	50,190	64,542
Other expenses	1,153,966	780,561	1,135,723	789,855
Printing and Stationery	50,301	55,677	50,301	55,677
Repairs and maintenance	2,060,629	1,689,083	2,060,629	1,686,146
Security	95,353	112,045	92,335	109,276
Travel, logistics and accommodation	253,095	175,897	247,189	173,302
Total operating expenses	**17,257,256**	**13,863,869**	**17,084,072**	**13,691,138**

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

15.1 Non-audit services

Included in consulting and professional fees is ₦8.1mn relating to the non-audit services rendered by the auditors, Deloitte & Touche, during the year. In line with the Guidance on the Implementation of Sections 60 – 63 of The Investments and Securities Act_2007, Deloitte carried out attestation exercise over the Company's internal controls over financial reporting.

16. Employee cost

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Direct Employee Costs				
Wages and salaries	2,444,114	1,806,417	2,444,114	1,748,663
Other long-term employee costs	3,289	79,833	3,289	79,833
Pension costs	68,996	61,695	68,996	54,864
	2,516,399	**1,947,945**	**2,516,399**	**1,883,360**

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Indirect Employee Costs				
Wages and salaries	2,367,355	1,827,540	2,304,956	1,757,549
Other long-term employee costs	4,732	114,881	4,732	114,881
Pension costs	105,115	80,754	101,153	74,561
	2,477,202	**2,023,175**	**2,410,841**	**1,946,991**
Total employee benefits expense	**4,993,601**	**3,971,120**	**4,927,240**	**3,830,351**

	Group		Company	
Average number of persons employed during the year Staff numbers per grade	2023 Number	2022 Number	2023 Number	2022 Number
Managerial	30	28	27	26
Senior staff	258	172	255	168
Others	933	963	933	961
	1,221	**1,163**	**1,215**	**1,155**
N360,000- N500,000	113	167	113	161
N500,001-N1,000,000	29	79	29	77
N1,000,001-N2,000,000	459	397	459	397
N2,000,001-N4,000,000	73	113	73	113
N4,000,001- N5,000,000	135	165	135	165
Above N5,000,000	412	242	406	242
	1,221	**1,163**	**1,215**	**1,155**

16.1 Compensation of Managers

Salaries and other short-term employee benefits	551,991	394,605	497,571	369,946
Defined contributions	27,166	19,590	23,205	18,476
	579,157	**414,195**	**520,776**	**388,422**

Managers excludes Directors (Executive and Non-Executive). The compensation paid or payable to Managers for services is as shown above.

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

Below N10,000,000	3	3	1	3
Above N10,000,000	27	25	26	23
	30	**28**	**27**	**26**

17. Profit before tax

Profit before taxation is stated after charging:

	Group		Company	
	31 Dec 2023 ₦'000	**31 Dec 2022 ₦'000**	**31 Dec 2023 ₦'000**	**31 Dec 2022 ₦'000**
Amortisation (Note 15)	35,776	31,767	28,277	28,418
Depreciation (Note 15)	2,455,432	2,478,421	2,454,008	2,477,531
Auditors remuneration (Note 15)	54,454	44,900	49,140	37,800
Exchange (gain) (Note 11)	(931,465)	(250,591)	(931,465)	(250,492)

18. Income Tax

The major components of income tax expense for the year ended 31 December 2023 and 2022 are:

	Group		Company	
	31 Dec 2023 ₦'000	**31 Dec 2022 ₦'000**	**31 Dec 2023 ₦'000**	**31 Dec 2022 ₦'000**
Current Income Tax:				
Current Income	1,188,570	273,254	1,188,570	273,215
Excess dividend tax	-	126,244	-	126,244
Capital gain tax	925	-	925	-
Police trust fund levy	442	-	442	-
Tertiary Education Tax Charge	353,938	190,012	353,938	190,012
	1,543,875	**589,510**	**1,543,875**	**589,471**
Deferred tax:				
Originating and reversing temporary differences	1,560,263	1,182,030	1,560,263	1,182,030
Prior year adjustment to deferred tax passed in P&L	123,949	-	123,949	-
Tax expense in the statement of profit or loss	**3,228,087**	**1,771,540**	**3,228,087**	**1,771,501**

Reconciliation of tax expense

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Accounting profit before income tax	9,482,053	4,634,023	8,823,062	4,851,033
At Nigeria's statutory income tax rate of 30% (2022: 30%)	2,844,616	1,390,207	2,646,919	1,455,310
Tax effect of adjustments on taxable income				
Capital Gain Tax	925	-	925	-
Police trust fund levy	442	-	442	-
Education tax	353,938	190,051	353,938	190,012
Adjustment for change in education tax rate*	(4,838)	(4,954)	(4,838)	(4,954)
Impact of change in TET rate on opening balances impacting deferred tax	(1,044)	-	(1,044)	-
Non-deductible expenses *	259,945	45,754	259,945	45,754
Non- allowable income*	(134,399)	(12,498)	(134,399)	(12,498)
Tax effect of investment allowance*	(10,419)	(23,814)	(10,419)	(23,814)
Adjustments upon consolidation	(204,532)	60,550	-	-
Fair value adjustment*	-	-	(6,835)	(4,553)
Prior year adjustment to deferred tax passed in P&L	123,949	-	123,949	-
Capital gain tax	(496)	-	(496)	-
Excess dividend tax	-	126,244	-	126,244
	3,228,087	**1,771,540**	**3,228,087**	**1,771,501**

*The prior year tax reconciliation adjustments were re-presented to clearly show the impact of temporary differences. The total tax expenses of ₦1.77bn remained unchanged for Company, while the Group figures was restated from ₦1.91bn to ₦1.77bn, excluding the figures relating to Transcorp Hotels Calabar Limited.

Current tax payable

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
As of 1 January	594,493	166,500	589,440	161,790
Income tax expense during the year	1,543,875	594,523	1,543,875	589,471
Payment during the year	(589,504)	(166,530)	(589,504)	(161,821)
Transfer to assets classified as held for sale	(5,013)	-	-	-
As of 31 December	**1,543,851**	**594,493**	**1,543,811**	**589,440**

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

18.1 Deferred tax

Deferred tax relates to the following:

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Deferred tax liability	7,689,046	6,023,475	7,689,046	6,023,475
Total Net Deferred Tax Liability	**7,689,046**	**6,023,475**	**7,689,046**	**6,023,475**

Deferred tax relates to the following:	Group			
	Statement of financial position		Statement of profit or loss	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Property, plant and equipment*	7,829,802	6,091,327	1,738,475	752,930
Expected credit losses on debt financial assets	(424,822)	(80,276)	(344,546)	(70,867)
Exchange difference	302,708	12,424	290,284	13,616
Unused tax losses	-	-	-	486,351
Deferred tax expense- profit or loss statement			**1,684,213**	**1,182,030**
Add:				
Net actuarial gain in OCI	(18,642)	-	(18,642)	-
Total deferred tax expense			**1,665,571**	**1,182,030**
Net deferred tax liabilities	**7,689,046**	**6,023,475**		

*The 2022 comparative allocation into properties, plant and equipment has been restated to ₦6.09bn from ₦6.15bn presented in the 2022 financial statements.This is to consolidate the split of the allocation between property, plant & equipment, and Investment properties which is not required in under Group.

Deferred tax relates to the following:	Company			
	Statement of financial position		Statement of profit or loss	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Property, plant and equipment	7,886,947	6,150,751	1,736,196	750,654
Investment property	(57,145)	(59,424)	2,279	2,277
Expected credit losses on debt financial assets	(424,822)	(80,276)	(344,546)	(70,868)
Exchange difference	302,708	12,424	290,284	13,616
Unused tax losses	-	-	-	486,351
Deferred tax expense- profit or loss statement			**1,684,213**	**1,182,030**
Net actuarial gain in OCI	(18,642)	-	(18,642)	-
Total deferred tax expense			**1,665,571**	**-**
Net deferred tax liabilities	**7,689,046**	**6,023,475**		

Reconciliation of deferred tax liabilities, net	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
As of 1 January	6,023,475	4,841,445	6,023,475	4,841,445
Tax expense for the year	1,665,571	1,182,030	1,665,571	1,182,030
	7,689,046	**6,023,475**	**7,689,046**	**6,023,475**

19. Earnings per share (EPS)

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

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

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

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Profit attributable to ordinary equity holders of the parent for basic earnings	6,155,985	2,677,731	5,594,975	3,079,532

	Thousands	Thousands	Thousands	Thousands
Weighted number of shares at the end of the year	10,242,528	10,242,528	10,242,528	10,242,528
Basic Earnings per share (Kobo)	60	26	55	30
Diluted Earnings per share (Kobo)	60	26	55	30

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

Group

	Freehold Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Computer & Office Equipment ₦'000	Motor Vehicle ₦'000	Capital work in progress ₦'000	Total ₦'000
Cost							
1-January-2022	**37,271,552**	**50,578,049**	**6,059,224**	**18,280,020**	**498,868**	**6,751,714**	**119,439,427**
Additions	1,430,000	253,119	255,392	1,228,291	775	3,417,973	6,585,550
Reclassification	1,100,000	-	-	-	-	(1,100,000)	-
Disposal	-	(4,413)	-	(25,872)	-	-	(30,285)
31-December-2022	**39,801,552**	**50,826,755**	**6,314,616**	**19,482,439**	**499,643**	**9,069,687**	**125,994,692**
Additions	227,040	11,113	477,185	1,290,145	83,850	1,610,790	3,700,123
Interest cost capitalised in the year	-	-	-	-	-	335,077	335,077
Adjustments	2,453					5,111	7,564
Reclassification	-	70,581	43,772	-	-	(114,353)	-
Transfer to assets classified as held for sale	(485,888)	(1,292,687)	(749,213)	(584,045)	(15,089)	(3,367)	(3,130,289)
Disposal	-	(19,085)	(1,022,050)	(1,820,971)	(170,140)	-	(3,032,246)
31-December-2023	**39,545,157**	**49,596,677**	**5,064,310**	**18,367,568**	**398,264**	**10,902,945**	**123,874,921**
Accumulated depreciation and impairment losses							
1 January 2022	**-**	**5,806,167**	**3,439,824**	**5,793,427**	**420,121**	**-**	**15,459,539**
Depreciation for the year	-	1,124,806	265,755	1,178,098	20,760	-	2,589,419
Disposals	-	(901)	-	(24,710)	-	-	(25,611)
31-December-2022	**-**	**6,930,072**	**3,705,579**	**6,946,815**	**440,881**	**-**	**18,023,347**
Depreciation for the year	-	1,049,343	195,138	1,165,897	45,054	-	2,455,432
Adjustments	-	-	-	7,564	-	-	7,564
Transfer to assets classified as 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)
31-December-2023	**-**	**7,529,529**	**2,324,071**	**5,905,327**	**301,674**	**-**	**16,060,601**
Net book value							
At 31 December 2023	**39,545,157**	**42,067,148**	**2,740,239**	**12,462,241**	**96,590**	**10,902,945**	**107,814,320**
At 31 December 2022	**39,801,552**	**43,896,683**	**2,609,037**	**12,535,624**	**58,762**	**9,069,687**	**107,971,345**

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

Compan

	Freehold Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Computer & Office Equipment ₦'000	Motor Vehicle ₦'000	Capital work in progress ₦'000	Total ₦'000
Cost							
1-January-2022	**30,872,625**	**49,336,394**	**5,342,901**	**17,862,560**	**484,554**	**1,452,762**	**105,351,796**
Additions	-	197,675	222,502	1,054,706	-	3,199,282	4,674,165
Disposals	-	-	-	(25,489)	-	-	(25,489)
31-December-2022	**30,872,625**	**49,534,069**	**5,565,403**	**18,891,777**	**484,554**	**4,652,044**	**110,000,472**
Additions	-	11,112	477,185	1,290,216	83,850	1,428,579	3,290,942
Interest cost capitalised in the year	-	-	-	-	-	335,077	335,077
Reclassification	-	70,581	43,772		-	(114,353)	-
Disposal	-	(19,085)	(1,022,050)	(1,820,971)	(170,140)	-	(3,032,246)
31-December-2023	**30,872,625**	**49,596,677**	**5,064,310**	**18,361,022**	**398,264**	**6,301,347**	**110,594,245**
Accumulated depreciation and impairment losses							
1 January 2022	**-**	**5,420,951**	**2,922,330**	**5,429,500**	**405,314**	**-**	**14,178,095**
Depreciation for the year	-	1,080,056	228,504	1,147,524	21,447	-	2,477,531
Disposals	-	-	-	(24,489)	-	-	(24,489)
31-December-2022	**-**	**6,501,007**	**3,150,834**	**6,552,535**	**426,761**	**-**	**16,631,137**
Depreciation for the year	-	1,049,343	195,138	1,164,473	45,054	-	2,454,008
Disposals	-	(20,822)	(1,021,901)	(1,814,605)	(170,141)	-	(3,027,469)
31-December-2023	**-**	**7,529,528**	**2,324,071**	**5,902,403**	**301,674**	**-**	**16,057,676**
Net book value							
At 31 December 2023	**30,872,625**	**42,067,149**	**2,740,239**	**12,458,619**	**96,590**	**6,301,347**	**94,536,569**
At 31 December 2022	**30,872,625**	**43,033,062**	**2,414,569**	**12,339,242**	**57,793**	**4,652,044**	**93,369,335**

Property, plant and equipment encumbered as security
As at 31 December 2023, there is negative pledge over the Group's property, plant and equipment and floating assets, given in relation to the Group's borrowings

Impairment and reversal of impairment
No impairment loss nor reversal was recognised in the current year (2022: Nil).

Capital commitment
As at 2023, the Group had a total commitments of ₦1.8bn on the Event Centre construction project (2022: ₦1.9bn).

Capital work in progress
Capital work in progress comprises mainly building under construction that are not yet in location or condition for use during the year.

21. Investment property

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Opening balance at 1 January	-	-	1,717,765	1,695,000
Net gain from fair value remeasurement	-	-	22,784	22,765
Closing balance at 31 December	**-**	**-**	**1,740,549**	**1,717,765**

Details of Property

Investment properties relate to the 2,409.51 square metres of land at Ikegwere street, Oromeruezingbu Village, Port Harcourt, Rivers State, Nigeria and 10,141.27 square metres of bare land at Evo Road,GRA Phase II, Port Harcourt, Rivers State.

As at 31 December 2023, the fair values of the properties are based on valuations performed by Mr. Ubosi Chukwudi Stephen with FRC/2013/PRO/NIESV/004/00000001493 from Ubosi Eleh & Co. Estate Surveyors & Valuers (FRC/2014/NIESV/0000003997), an accredited independent valuer and a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.
This investment property is occupied by Transcorp Hotels Port Harcourt Limited (a subsidiary of the Group). In line with IAS 40, this investment property has been reclassified to property plant and equipment in the consolidated financial statements.

During the year, the company recognised ₦3.0mn as rental income.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

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

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the Company.

Fair value hierarchy disclosures for investment properties are in Note 7.

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

Valuation technique	Significant unobservable inputs	Range (weighted average)	
		2023	2022
Land at Ikegwere street, Port Harcourt - comparison method (refer below)	Average land value per square meter	132,000	130,000
Land at Evo Road, GRA- comparison method (refer below)	Average land value per square meter	132,000	129,999

Details of Valuation

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

The land and building were 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 land value in isolation would result in a significantly higher (lower) fair value of the properties.

There has been no change in the valuation techniques during the year.

22. Intangible assets

	Computer Software	
	Group ₦'000	Company ₦'000
Cost		
At 1 January 2022	364,735	330,500
Additions	32,653	10,218
At 31 December 2022	**397,388**	**340,718**
Additions	35,300	12,800
Disposal	(22,616)	-
Transfer to assets classified as held for sale	(11,554)	-
At 31 December 2023	**398,518**	**353,518**
Amortisation		
At 1 January 2022	206,130	193,035
Amortisation	32,402	28,418
At 31 December 2022	**238,532**	**221,453**
Amortisation	35,776	28,277
Disposal	(4,646)	-
Transfer to assets classified as held for sale	(10,745)	-
At 31 December 2023	**258,917**	**249,730**
Net book value		
At 31 December 2023	**139,601**	**103,788**
At 31 December 2022	**158,856**	**119,265**

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

23. Goodwill

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. See note 25.

As at 31 December 2023, the sale consideration (₦2,500,000,000) for the disposal of the subsidiary was deemed the fair value, and was used in assessing the impairment on the Goodwill.

	Transcorp Hotels Calabar Limited	
Carrying amount of goodwill	2023 ₦'000	2022 ₦'000
Goodwill	1,974,756	1,974,756
Impairment loss on Goodwill (Note 14)	(1,011,644)	
Transfer of fair value of Goodwill to assets classified as held for sale (Note 25)	(963,112)	-
Carrying value	-	**1,974,756**

As at 31 December 2022, the fair values of the property, plant and equipment of Transcorp Hotel Calabar Limited has been determined by Mr. Ubosi Chukwudi Stephen with FRC/2013/PRO/NIESV/004/00000001493 from Ubosi Eleh & Co. Estate Surveyors & Valuers (FRC/2014/NIESV/0000003997), an accredited independent valuer.

The property was valued using the Depreciated Replacement Cost method of valuation. This method of valuation seeks to equate the market value of a property to the value of the site plus the current cost of erecting the building(s) and other infrastructural facilities on it, including professional fees and finance costs less an allowance for depreciation to account for age, wear and tear and obsolescence, where applicable.

The following factors were considered in valuing the assets of the subsidiary:
i. total economic working life of the item in question;
ii. age and remaining economic life of the item;
iii. the degree of physical deterioration and obsolescence of the item;
iv. work load to which the item is subjected;
v. current cost of the item including installation, freight and customs charges where applicable.

The Board has estimated the disposal costs to be 5% in 2022 of the fair value of the subsidiary's assets. This is based on the guidance by the Nigerian Institution of Estate Surveyors and Valuers (NIESV) and the Estate Surveyors and Valuers Registration Board of Nigeria (ESVARBON).

Analysis of values **The fair value has been determined as follows:**	**2023** **₦'000**	**2022** **₦'000**
Market value		
Land and buildings	-	4,320,000
Items of plant and machinery	-	727,985
Items of office/computer equipment	-	96,891
Motor vehicles	-	7,920
Items of furniture and fittings	-	260,136
Intangible Assets	-	809
Current Assets	-	329,624
Total market value	-	5,743,365
Fair value of liabilities	-	(898,931)
Net Fair Value	-	4,844,434
Costs of disposal at 5%	-	(242,222)
	-	**4,602,212**
Carrying Value:		
Net asset as at 31 December	-	1,163,515
Goodwill as at 31 December	-	1,974,756
	-	**3,138,271**

The key assumptions used in the valuation are as follows:

Land and Building
Gross Floor Area
Gross Floor Area is based on the land measurement from visual inspection of the property.

Cost per sqm.
Estimated cost per sqm are based on analysis of open market transactions on similar properties in the neighbourhood adjusted for market trends within the location of the CGU.

Depreciation rate

Depreciation rates are based on the condition of the land and building, experience, and judgement of the Valuer, considering the age, maintenance, etc. to arrive at the market/ Fair value.

Other Property, Plant and Equipment

Value

The value is based on an analysis of open market transactions on similar assets.

Sensitivity Analysis

The group has conducted an analysis of the sensitivity of the impairment test to changes in the key assumptions used to determine the recoverable amount for the CGU to which goodwill is allocated. The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount of the CGU is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGU.

24. Discontinued Operations

During the year, the board resolved to dispose of one of its subsidiaries,Transcorp Hotels Calabar Limited,and negotiations with several interested parties were ongoing. This was finalised by the execution of a share purchase agreement with the selected buyer on 27 November 2023.The disposal is consistent with the group's long-term policy to focus its activities on the group's other businesses.

This subsidiary, which is expected to be sold within 12 months, has 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 in note 25.

The results of the discontinued operations, which have been included in the profit for the year, were as follows:

	Group	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Revenue	1,244,738	1,002,695
Cost of sale	(418,977)	(350,525)
Gross profit	**825,761**	**652,170**
Other income	12,119	7,325
Impairment (losses)/gains on financial assets	(12,966)	4,300
Operating expenses	(979,697)	(770,978)
Operating loss	**(154,783)**	**(107,183)**
Net finance income	153	164
Loss before tax	**(154,630)**	**(107,019)**
Attributable tax expense	(6,224)	(137,569)
Loss attributable to discontined operations	**(160,854)**	**(244,588)**

Cashflows from discontinued operations

	Group	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Net cash from operating activities	39,351	156,666
Net cash inflow/(outflow) from investing activities	(18,792)	(260,892)
Net cash inflow/(outflow) from financing activities	-	-

25. Assets classified as held for sale

As referred to in note 24, the carrying amount of the related net assets is expected to substantially exceed the proceeds of disposal and accordingly impairment losses have been recognised on the classification of the subsidiary as held for sale,

The total assets and liabilities of Transcorp Hotels Calabar Limited classified as held for sale are as follows:

	Group		Company	
	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000	31 Dec 2023 ₦'000	31 Dec 2022 ₦'000
Transfer from Investment in subsidiaries (Note 8)	-	-	2,500,000	-
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	-	-	-
Total assets classified as held for sale	**2,898,863**	**-**	**2,500,000**	**-**
Trade and other payables	(392,639)	-	-	-
Tax liabilities	(6,224)	-	-	-
Total liabilities associated with assets classified as held for sale	**(398,863)**	**-**	**-**	**-**
Fair Value of net assets classified as held for sale	**2,500,000**	**-**	**2,500,000**	**-**

26. Borrowings

			Group		Company	
	Interest rate %	Maturity	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
N2 billion bank overdraft	13.0	06-Dec-23	1,748,926	1,924,980	1,748,926	1,924,980
N2 billion loan	16.8	08-Nov-26	2,048,721	2,020,727	2,048,721	2,020,727
N12.75 billion loan	10.0	31-May-29	11,231,040	12,109,253	11,231,040	12,109,253
N10 billion loan	10.0	06-Mar-26	5,626,016	7,904,617	5,626,016	7,904,617
Total interest-bearing loans and borrowings			**20,654,703**	**23,959,577**	**20,654,703**	**23,959,577**
Current			7,065,025	7,846,378	7,065,025	7,846,378
Non-current			13,589,678	16,113,199	13,589,678	16,113,199
			20,654,703	**23,959,577**	**20,654,703**	**23,959,577**

Bank Overdraft

The Bank Overdraft is secured by a negative pledge on the Company's assets. The Overdraft was rolled-over in January 2024.

₦2 billion loan

₦2 billion term loan with a tenor of 4 years and 24 months moratorium and at interest rate of 16.75%.

₦12.75 billion loan

₦12.75 billion term loan with a tenor of 8 years and 24 months moratorium and at interest rate of 10%. The loan is secured by an arrangement by Transnational Corporation Plc (the Parent Company).

₦10 billion loan

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

	Group		Company	
Bond liability	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
As at 1 January	-	823,077	-	823,077
Interest	-	114,590	-	114,590
Principal repayments	-	(850,366)	-	(850,366)
Interest repayments	-	(87,301)	-	(87,301)
	-	-	-	-
Loan liability				
As at 1 January	22,034,597	21,097,586	22,034,597	21,097,586
Additions	-	2,000,000	-	2,000,000
Effective interest	2,919,673	2,952,412	2,919,673	2,952,412
Principal repayments	(3,562,625)	(1,866,667)	(3,562,625)	(1,866,667)
Interest repayments	(2,485,868)	(2,148,734)	(2,485,868)	(2,148,734)
	18,905,777	**22,034,597**	**18,905,777**	**22,034,597**

Total Interest-bearing loans and borrowings

As at 1 January	22,034,597	21,920,663	22,034,597	21,920,663
Additions	-	2,000,000	-	2,000,000
Effective interest	2,919,673	3,067,002	2,919,673	3,067,002
Principal repayments	(3,562,625)	(2,717,033)	(3,562,625)	(2,717,033)
Interest repayments	(2,485,868)	(2,236,035)	(2,485,868)	(2,236,035)
	18,905,777	**22,034,597**	**18,905,777**	**22,034,597**
Overdraft	**1,748,926**	**1,924,980**	**1,748,926**	**1,924,980**
	20,654,703	**23,959,577**	**20,654,703**	**23,959,577**

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

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Interest repayment on third party loans (Note 26)	2,485,868	2,236,035	2,485,868	2,236,035
Interest repayment on overdraft	196,963	201,881	196,963	201,881
	2,682,831	**2,437,916**	**2,682,831**	**2,437,916**

27. Inventories

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Food and beverage	214,995	210,491	214,995	167,178
Fuel	280,097	207,346	280,097	207,346
Engineering spares	-	29,677	-	-
Guest supplies	150,472	169,110	150,472	155,347
	645,564	**616,624**	**645,564**	**529,871**

28. Trade and other receivables

	Group		Company	
Financial Instruments:	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Trade receivables	1,598,766	1,234,253	1,598,766	1,110,153
Receivables from related parties	1,167,096	37,477	2,142,938	773,904
Provision for impairment on trade receivables (Note 28.1 & 28.2)	(23,625)	(49,596)	(859,053)	(46,040)
	2,742,237	**1,222,134**	**2,882,651**	**1,838,017**
Non-Financial Instruments:				
Deposits and advances	697,376	1,108,067	697,376	1,096,052
Withholding tax receivables	415,359	394,760	415,359	385,280
Other receivables	457,755	495,514	448,826	474,196
Total Trade and Other Receivables	**4,312,727**	**3,220,475**	**4,444,212**	**3,793,545**

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

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

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

28.1 Allowance for expected credit losses

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

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
As at 1 January	49,596	56,711	45,486	28,952
(Credit)/charge for the year	(22,341)	64,273	(22,341)	68,573
Transfer to asset classified as held for sale	(4,110)	-	-	-
Write-off	-	(71,388)	-	(52,039)
As at 31 December	**23,145**	**49,596**	**23,145**	**45,486**

28.2 Allowance for expected credit losses - Other financial assets

Set out below is the movement in the allowance for expected credit losses of receivables from related parties:

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
As at 1 January	-	-	553	-
Provision for expected credit losses	479	-	835,354	553
As at 31 December	**479**	**-**	**835,907**	**553**

29. Prepayments

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Maintenance contracts	253,499	231,123	253,499	205,949
Insurance and permits	230,626	284,041	230,626	284,041
Prepaid loan processing fees (BOI loans)	332,489	425,054	332,489	425,054
Other prepaid expenses	188,574	121,936	188,574	121,936
	1,005,188	**1,062,154**	**1,005,188**	**1,036,980**

30. Other investment

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Equity instrument	300,075	75	300,075	75
Deposit for shares not yet allotted	-	300,000	-	300,000
	300,075	**300,075**	**300,075**	**300,075**

The equity instrument represents a purchase of 7.5% of the 2,000,000 ordinary share capital of Jeolan International Ltd. The shares were fully allotted on 3rd November 2023.

31. Cash and bank balances

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Cash on hand	16,856	26,713	16,856	26,028
Cash at banks	7,365,778	4,296,032	7,320,433	4,215,039
Short term deposit	1,595,944	860,352	1,595,944	860,352
	8,978,578	**5,183,097**	**8,933,233**	**5,101,419**

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

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

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Cash on hand and at bank	7,382,634	4,322,745	7,337,289	4,241,067
Short term deposit	1,595,944	860,352	1,595,944	860,352
	8,978,578	5,183,097	8,933,233	5,101,419
Bank overdrafts (Note 26)	(1,748,926)	(1,924,980)	(1,748,926)	(1,924,980)
Cash and cash equivalents	**7,229,652**	**3,258,117**	**7,184,307**	**3,176,439**

32. Share Capital

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Authorised shares				
10,242,528,411 (2022:10,242,528,411) ordinary shares of 50k each	5,121,264	5,121,264	5,121,264	5,121,264
Ordinary shares issued and fully paid				
10,242,528,411 ordinary shares of 50k each	5,121,264	5,121,264	5,121,264	5,121,264
Share premium				
At 1 January	12,548,859	12,548,859	12,548,859	12,548,859
At 31 December	**12,548,859**	**12,548,859**	**12,548,859**	**12,548,859**

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

Shareholding Structure/Free Float Status

Description	2023 Units	2023 % Holding	2022 Units	2022 % Holding
Issued Share Capital	10,242,528,411	100%	10,242,528,411	100%
Substantial Shareholdings (5% and above)				
Transnational Corporation Plc	7,800,070,016	76.16%	7,800,070,016	76.16%
Ministry of Finance Incorporated	1,131,165,000	11.04%	1,131,165,000	11.04%
Total Substantial Shareholdings	**8,931,235,016**	**87.20%**	**8,931,235,016**	**87.20%**

Directors' Shareholdings (direct and indirect), excluding directors with substantial interests

Mr. Emmanuel Nnorom (Indirect - Representing Vine Foods Ltd)	1,000,000	0.01%	1,000,000	0.01%
Mrs. Dupe Olusola (Direct)	310,574	0.00%	310,574	0.00%
Mrs. Owen D. Omogiafo (Direct)	350,000	0.00%	350,000	0.00%
Mrs. Helen Iwuchukwu (Direct)	-	0.00%	10,000	0.00%
Mr. Peter Elumelu (Direct)	135,000	0.00%	135,000	0.00%
Mr. Alex Okoh (Direct)	-	0.00%	10,000	0.00%
Bolanle Onagoruwa (Direct)	162,031	0.00%	122,329	0.00%
Total Directors' Shareholdings	**1,957,605**	**0.01%**	**1,937,903**	**0.01%**

Other Influential Shareholdings

Nil	-	0.00%	-	0.00%
Total Other Influential Shareholdings	-	0.00%	-	0.00%
Free Float in Units and Percentage	**1,309,335,790**	**12.78%**	**1,309,355,492**	**12.79%**
Free Float in Value in absolute value	**91,889,185,742**		**8,196,565,380**	

Declaration:
Transcorp Hotels Plc with a free float value of ₦91,889,185,742 as at 31 December 2023, is compliant with The Nigerian Exchange Group's (NGX) free float requirements for companies listed on the Main Board.

According to the register of members as at 31 December 2023, the shareholding in the Company was as follows:

Range	No. of Holders	Holders %	Units	Unit %
1-999	1292	53.77%	511,024	0.00%
1,000 - 9,999	534	22.22%	1,512,888	0.00%
10,000-99,999	205	8.53%	1,870,886	0.02%
100,000-999,999	234	9.74%	6,105,661	0.06%
1,000,000-9,999,999	64	2.66%	5,563,487	0.05%
10,000,000-99,999,999	47	1.96%	10,375,560	0.10%
100,000,000-999,999,999	9	0.37%	6,488,517	0.06%
Above 1,000,000,000	18	0.74%	10,210,100,388	99.68%
Total	**2,403**	**100%**	**10,242,528,411**	**100%**

33. Dividend distributions

	Group		Company	
Cash dividends on ordinary shares approved:	**2023**	**2022**	**2023**	**2022**
Dividend for 2023 at 20 kobo per share (2022: 13k per share)	2,048,506	1,331,529	2,048,506	1,331,529
	2,048,506	**1,331,529**	**2,048,506**	**1,331,529**

34. Retained earnings

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Balance brought forward	45,207,011	44,577,786	45,378,512	44,347,486
Profit for the year attributed to owners	6,155,985	2,677,731	5,594,975	3,079,532
Dividend	(2,048,506)	(2,048,506)	(2,048,506)	(2,048,506)
	49,314,490	**45,207,011**	**48,924,981**	**45,378,512**

35. Non-controlling interest

	Group	
	2023 ₦'000	2022 ₦'000
Balance brought forward	(87,520)	(27,684)
Non-controlling interest in Transcorp Hotels Ikoyi-42%	(4,293)	813
Non-controlling interest in Aura by Transcorp Hotels-40%	(58,580)	(60,649)
	(150,393)	**(87,520)**

36. Deferred income

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
At 1 January	1,992,078	2,456,537	1,992,078	2,456,537
Released to the statement of profit or loss	(447,996)	(464,459)	(447,996)	(464,459)
	1,544,082	**1,992,078**	**1,544,082**	**1,992,078**
Current	444,000	447,756	444,000	447,756
Non-current	1,100,082	1,544,322	1,100,082	1,544,322
	1,544,082	**1,992,078**	**1,544,082**	**1,992,078**

The Company obtained a loan from the Bank of Industry (BOI) to procure equipment to upgrade the hotel rooms, kitchen, public area and equip a new multi-purpose banqueting conference centre. The interest rate of 10% on the loan was below the market loan rate between 13% to 15.5% at the time the loan was obtained. 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 ₦1.99 bn and ₦448 mn was credited to other operating income in the statement of profit or loss for the year ended 31 December 2023.

37. Contract liabilities

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Short-term advances for hospitality services (Note 37.1)	143,555	105,464	143,555	105,464
Key money from Hilton (Note 37.2)	2,139,550	2,292,375	2,139,550	2,292,375
	2,283,105	**2,397,839**	**2,283,105**	**2,397,839**
Current	296,375	258,284	296,375	258,284
Non current	1,986,730	2,139,555	1,986,730	2,139,555
	2,283,105	**2,397,839**	**2,283,105**	**2,397,839**

37.1 Short-term advances for hospitality services

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

	Group		Company	
Reconciliation of Short-term advances	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
At 1 January	105,464	40,990	105,464	40,990
Deferred during the year	143,555	105,464	143,555	105,464
Recognised as revenue during the year	(105,464)	(40,990)	(105,464)	(40,990)
At 31 December	**143,555**	**105,464**	**143,555**	**105,464**
Current	**143,555**	**105,464**	**143,555**	**105,464**

37.2 Key money from Hilton

In 2017, the managers of Transcorp Hilton Hotel Abuja, Hilton Worldwide Manage Limited contributed $ 10 million towards the refurbishment of the hotel. The contribution is referred to as Key money. It does not attract any interest and is not repayable by the Company unless the contract is terminated before the end of the 20-year 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 ₦2.14bn relates to the unamortised portion of the key money as at 31 December 2023.

	Group		Company	
Reconciliation of Key money from Hilton	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
At 1 January	2,292,375	2,445,200	2,292,375	2,445,200
Recognised as other operating income during the year	(152,825)	(152,825)	(152,825)	(152,825)
At 31 December	**2,139,550**	**2,292,375**	**2,139,550**	**2,292,375**

38. Trade and other payables

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Trade payables	2,788,603	2,223,614	2,759,811	2,146,301
Related parties (Note 42)	13,155,424	12,885,522	13,155,424	12,885,522
Other payables (Note 38.1)	6,586,802	5,016,457	6,589,923	4,679,104
	22,530,829	**20,125,593**	**22,505,158**	**19,710,927**

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms.
- Other payables are non-interest bearing and have an average term of six months.

38.1 Other payables

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
VAT payable	349,078	295,290	349,078	225,625
Accrued liabilities	5,316,219	4,009,160	5,319,340	3,767,489
Unclaimed dividend	211,956	147,017	211,956	147,017
Security deposits from guests	165,518	165,501	165,518	165,501
WHT Payable	544,031	399,489	544,031	373,472
	6,586,802	**5,016,457**	**6,589,923**	**4,679,104**

39. Cash generated from operations

		Group		Company	
	Notes	2023	2022	2023	2022
Profit before tax		9,482,053	4,634,023	8,823,062	4,851,033
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment	20.	2,455,432	2,478,421	2,454,008	2,477,531
Amortisation of intangible assets	22.	35,776	31,767	28,277	28,418
Impairment allowance on financial assets	13.	(21,862)	(64,273)	874,206	(75,378)
(Gain)/Loss in fair value of investment properties	11.	-	-	(22,784)	(22,765)
Adjusted loss from discontinued operations	39.1	(38,492)	(2,877)	-	-
Impairment loss on investment in subsidiaries	14.	-	-	1,008,621	-
Impairment loss on Goodwill	14.	1,011,644	-	-	-
Unrealised (gain) on foreign exchange	11.	(917,390)	(250,591)	(917,390)	(250,492)
Loss/(Gain) on disposal of property, plant and equipment	11.	(36,098)	3,195	(36,098)	(317)
Loss on disposal of intangible assets	11.	17,970	-	-	-
Key money	11.	(152,825)	(152,825)	(152,825)	(152,825)
Day 1 Gain Income	11.	(447,996)	(464,459)	(447,996)	(464,459)
Finance income	12.2	(241,864)	(8,557)	(268,885)	(33,240)
Finance cost	12.2	3,904,012	4,141,497	3,904,012	4,141,497
Working capital adjustments:					
(Increase) in trade and other receivables		(1,083,567)	(514,414)	(1,510,775)	(761,668)
Decrease in prepayments		56,966	360,183	31,792	367,677
Decrease/(Increase) in inventories		(28,940)	2,899	(115,693)	40,337
Decrease in assets classified as held for sale		(319,873)	-	-	-
Decrease in contract liabilities		38,091	64,474	38,091	64,474
Increase in long term receivables		-	-	(372,240)	(1,664,852)
Increase in liabilities associated with assets classified as held for sale		388,435	-	-	-
Increase in defined benefit liability	43.	(31,348)	194,713	(31,348)	194,713
Increase in trade and other payables		682,582	314,675	1,071,576	215,700
		14,752,706	**10,767,851**	**14,357,611**	**8,955,384**

39.1 Reconciliation of adjustment for non-cash items in loss from discontinued operation

	Notes	Group 2023	Company 2022
Loss before tax from discontinued operations	24.	**(154,630)**	**(107,019)**
Depreciation of property, plant and equipment		127,732	110,996
Amortisation of intangible assets		678	635
Gain on foreign exchange differences		(12,119)	(7,280)
Gain on Disposal-net		-	(45)
Finance income		(153)	(164)
		(38,492)	**(2,877)**

40. Deposit for shares

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
	2,410,000	2,410,000	-	-

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

41. Commitments and contingencies

Commitments
The Directors have disclosed that all known liabilities and commitments which are relevant in assessing the state of affairs of the Group have been taken into consideration in the preparation of these financial statements. As at 2023, the Group had a total commitments of ₦1.8bn on the Event Centre construction projects (2022: ₦1.9bn).

Contingent Liability
The Group is involved in some legal action in the ordinary course of the business. The Group has been advised by its legal counsel that the cases/claims are remote and for this reason, no loss or cost is anticipated. Accordingly, no provision for any liability nor any contingent liabillity disclosure has been made in these financial statements.

42. Related party disclosures

Relationships	**Entities**
Holding company	Transnational Corporation Plc
Subsidiaries	**Refer to note 8**
Fellow Subsidiaries:	Transcorp Power Plc
	TransAfam Power Limited

Related party balances

Group - 2023	Sales to related parties ₦'000	Interest payable/ (receivable) ₦'000	Amounts due from related parties ₦'000	Amounts due to related parties ₦'000
Transnational Corporation Plc	58,610	-	-	4,450,243
Trans Afam Power Limited	16,554	(79,449)	1,167,096	-
Transcorp Power Plc	61,798	1,005,679	-	8,705,181
	136,962	**926,230**	**1,167,096**	**13,155,424**
Provision for impairment on related parties			(479)	
Net balance			**1,166,617**	

Group - 2022

Transnational Corporation Plc	27,341	306,467	-	4,685,850
Trans Afam Power Limited	8,342	-	37,477	-
Transcorp Power Plc	45,671	827,172	-	8,199,672
	81,354	**1,133,639**	**37,477**	**12,885,522**

Company - 2023

	Sales to related parties ₦'000	Interest payable/ (receivable) ₦'000	Amounts owed by related parties ₦'000	Amounts owed to related parties ₦'000
Transnational Corporation Plc	58,610	-	-	4,450,243
Trans Afam Power Limited	16,554	(79,449)	1,167,096	-
Transcorp Power Limited	61,798	1,005,679	-	8,705,181
Aura by Transcorp Hotels Limited	119,283	-	414,340	-
Transcorp Hotels Calabar Limited	-	(27,789)	561,502	-
	256,245	**898,441**	**2,142,938**	**13,155,424**
Provision for impairment on related parties			(835,907)	
Net balance			**1,307,031**	

Company - 2022

Transnational Corporation Plc	21,228	306,467	-	4,685,850
Trans Afam Power Limited	8,342	-	37,477	-
Transcorp Power Limited	25,106	827,172	-	8,199,672
Aura by Transcorp Hotels Limited	-	-	273,927	-
Transcorp Hotels Calabar Limited	-	(164)	462,501	-
	54,676	**1,133,475**	**773,905**	**12,885,522**
Provision for impairment on related parties			(553)	
			773,352	

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year-end are unsecured and interest-free and settlement occurs in cash. No guarantees were provided or received for any related party receivables or payables. For the year ended 31 December 2023, the Company recognised ₦903.4mn as expected credit losses relating to amounts owed by related parties (2022: ₦6.8m).

Related party borrowings:
Included in the amount due to Transcorp Power Plc is a ₦8.1bn loan at an average interest rate of 13%.

Likewise, included in the amount due from Transcorp Hotels Calabar Limited is a ₦235mn loan and due from TransAfam Power Ltd is ₦1.05bn at an average interest rate of 16%.

Management fee is payable to Transnational Corporation at the higher of 5% of profit before tax or ₦350mn. Management fee charged for the year is ₦501.6mn plus VAT (2022:₦376mn)

42.1 Long term receivables

	Group		Company	
	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
At 1 January	-	-	8,424,840	6,753,736
Additions				
Transcorp Hotels Port Harcourt Limited	-	-	8,363	28,208
Transcorp Hotels Ikoyi Limited	-	-	425,070	1,642,896
Gross carrying amount			8,858,273	8,424,840
Impairment	-	-	(67,445)	(6,252)
Net carrying amount	**-**	**-**	**8,790,828**	**8,418,588**

Long term receivables relate to accumulation of capital investment and operating expense made on behalf of Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited. The classification as long term is based on the expectation that the entities will only be able to repay when they become operational, which will not be earlier than 3-5 years time.

42.2 Compensation of key management personnel

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

	Group		Company	
Emoluments of directors	2023 ₦'000	2022 ₦'000	2023 ₦'000	2022 ₦'000
Executive Compensation	116,709	106,186	95,509	80,746
Defined contributions	3,754	3,939	2,702	2,677
Fees and allowances for non-executives	86,615	94,949	86,615	94,949
Total compensation paid to key management personnel	**207,078**	**205,074**	**184,826**	**178,372**
Amount paid to the highest paid director (excluding pension contributions)	**62,896**	**62,784**	**62,896**	**62,784**
Chairman's emoluments				
Fees	**15,000**	**15,000**	**15,000**	**15,000**

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

	Group		Company	
	2023 Number	2022 Number	2023 Number	2022 Number
Less than N10,000,000	-	8	-	7
Over N10,000,000	9	1	9	1

43. Defined Benefit Plan - Other employee benefit

Transcorp Hotels Plc (the parent company) provides a long-service award benefit to employees who is in active employment for a determined lengths of service. The benefit is defined for different length 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 2023 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 2023, yields per annum on long-term Government bond ranges between 13.0% and 17.0%. For the purpose of the current valuation, considering the plan's liability duration, we have adopted a discount rate of 15.0% p.a for the financial year 2023.

- Benefit escalation rate

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

The dollar benefit escalation rate is based on official exchange rate projections of ₦100 increase every five years. For instance, 2024 - 2028 has an assumed official $/NGN exchange rate of ₦950, 2029 - 2033 is ₦1050. The source of this data is the Central Bank of Nigeria's published projections.

Demographic Assumptions

- Mortality in Service

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

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

- Withdrawal from Service

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

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

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

	2023 ₦'000	2022 ₦'000
Current Service cost (Note 16)	8,021	194,713
Interest expense (Note 12)	24,210	-
Components of defined benefit costs recognised in profit or loss	**32,231**	**194,713**

Of the expense (service cost) for the year, ₦3.3 mn (2022: ₦79.8 mn) has been included in profit or loss as cost of sales and ₦4.7 mn (2022: ₦114.9 mn) has been included in administrative expenses. The net interest expense has been included within finance costs (see Note 12.1). The remeasurement of the net defined benefit liability is included in other comprehensive income.

Amounts recognised in other comprehensive income are as follows:

	2023 ₦'000	2022 ₦'000
Actuarial (gains) and losses arising from changes in Discount Rate Assumption	(28,033)	-
Actuarial (gains) and losses arising from changes in Exchange Rate Assumption	81,823	-
Actuarial (gains) and losses arising from experience adjustments	2,702	-
Remeasurement of the net defined benefit liability	**56,492**	**-**
Tax credit	(18,642)	
Remeasurement of the net defined benefit liability after tax	**37,850**	

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:

	2023 ₦'000	2022 ₦'000
Present value of defined benefit obligations	244,067	194,713
Fair value of plan assets	-	-
Funded status	244,067	194,713
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**244,067**	**194,713**
Current	32,231	33,008
Non-current	211,836	161,705
	244,067	**194,713**

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

	2023 ₦'000	2022 ₦'000
Opening defined benefit obligation	194,713	-
Current Service cost	8,021	194,713
Interest cost	24,210	
Actuarial losses (net tax)	56,492	-
Benefits paid	(39,369)	-
Closing defined benefit obligation	**244,067**	**194,713**

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

All amounts are in thousands of naira

	Decrease	Base	Increase
Effect of 1% increase or decrease in Discount rate	257,435,080	244,066,998	231,844,949
Effect of 1% increase or decrease in Escalation rate	240,314,681	244,066,998	248,159,286
Effect of 10% increase or decrease in Exchange rate	225,872,394	244,066,998	262,261,602
Effect of 10% increase or decrease in Withdrawal rate	245,914,786	244,066,998	242,250,675
Effect of 10% increase or decrease in Mortality rate	244,388,428	244,066,998	243,746,153

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

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

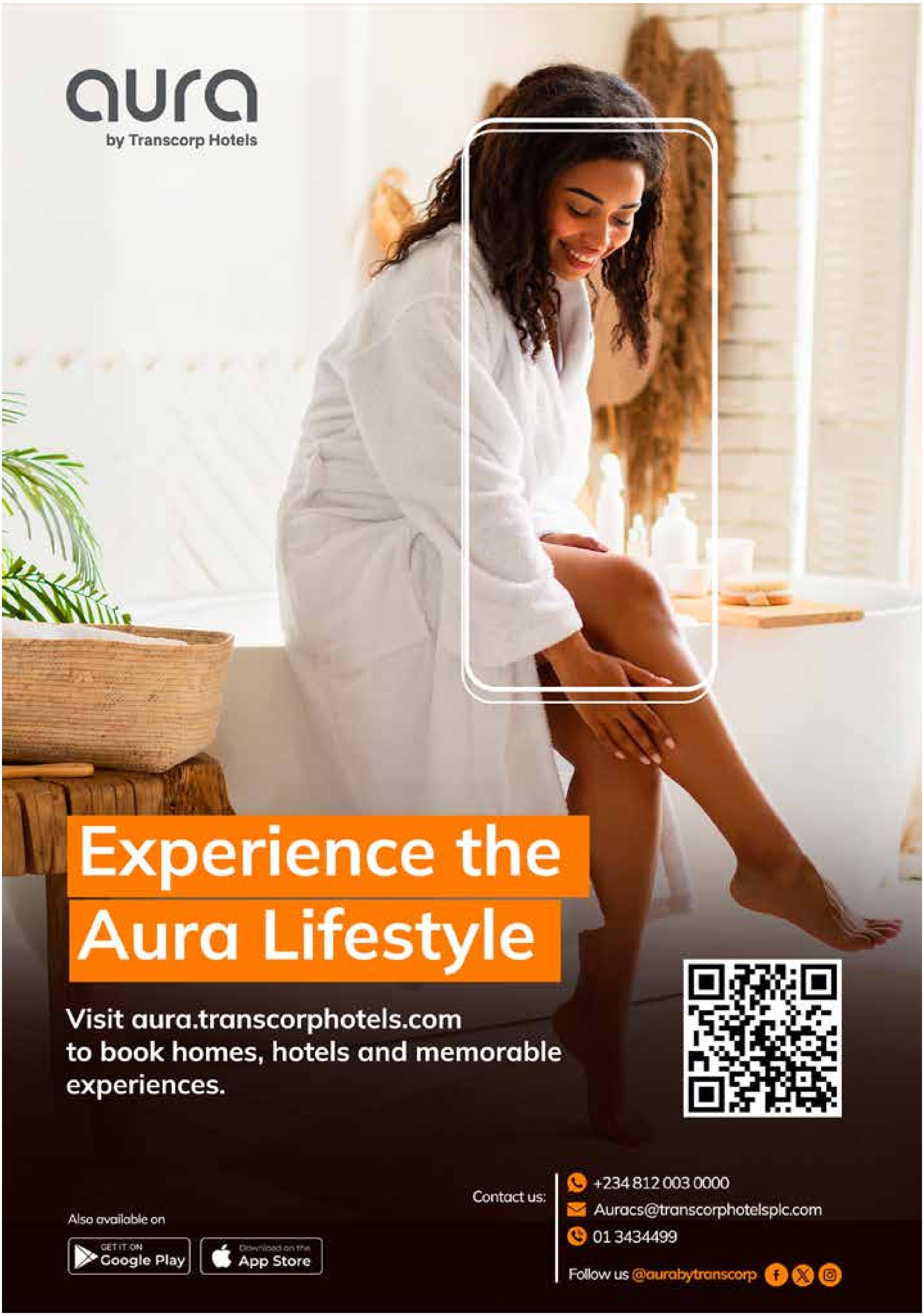
There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

44. Securities Trading Policy

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

45. Subsequent Events

Subsequent to year end, 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.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05

OTHER DISCLOSURES

CONSOLIDATED AND SEPARATE VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group				Company			
	2023 ₦'000	%	2022 ₦'000	%	2023 ₦'000	%	2022 ₦'000	%
Revenue	41,455,877		30,439,219		41,438,286		30,432,720	
Other income	1,847,719		970,475		1,926,180		1,027,979	
	43,303,596		**31,409,694**		**43,364,466**		**31,460,699**	
Bought in services								
- Foreign	(12,349,752)		(7,071,084)		(12,730,326)		(6,978,193)	
- Local	(8,233,168)		(4,714,056)		(8,486,884)		(4,652,128)	
Total Value added	**22,720,676**		**19,624,554**		**22,147,256**		**19,830,378**	
Applied as follows:								
Employees								
Salaries and other labour related benefits	4,993,601	22	3,971,120	20	4,927,240	22	3,830,351	19
Provider of funds								
Dividend	2,048,506	9	2,048,506	10	2,048,506	10	2,048,506	10
Finance costs	3,904,012	17	4,141,497	21	3,904,012	18	4,141,497	21
Government								
Taxation	1,543,875	7	589,510	3	1,543,875	7	589,471	3
The Future								
Deferred tax	1,684,212	7	1,182,030	6	1,684,212	8	1,182,030	6
Depreciation and amortisation	2,491,208	11	2,510,188	14	2,482,286	11	2,505,949	13
Retained profit	6,055,262	27	5,181,703	26	5,557,125	25	5,532,574	28
Total Value added	**22,720,676**	**100**	**19,624,554**	**100**	**22,147,256**	**101**	**19,830,378**	**100**

Value added represents the additional wealth which the Group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth between employees, shareholders, government and that retained for the future creation of more wealth.

CONSOLIDATED AND SEPARATE FIVE YEAR FINANCIAL SUMMARY

AS AT 31 DECEMBER 2023

GROUP

STATEMENT OF FINANCIAL POSITION Assets	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Non-current assets	108,253,996	110,405,032	106,245,806	107,929,396	108,776,561
Current assets	17,840,920	10,082,350	9,643,920	4,993,936	5,969,706
Total assets	**126,094,916**	**120,487,382**	**115,889,726**	**112,923,332**	**114,746,267**
Equity					
Issued capital	5,121,264	5,121,264	5,121,264	5,121,264	3,800,202
Share premium	12,548,859	12,548,859	12,548,859	12,548,859	4,034,411
Other reserve	(37,850)	-	-	-	-
Retained earnings	49,314,490	45,207,011	44,577,786	43,433,861	49,710,434
Equity attributable to equity holders of the parent	**66,946,763**	**62,877,134**	**62,247,909**	**61,103,984**	**57,545,047**
Non-controlling interests	(150,393)	(87,520)	(27,684)	(1,075)	(2,130)
Total equity	**66,796,370**	**62,789,614**	**62,220,225**	**61,102,909**	**57,542,917**
Liabilities					
Non-current liabilities	26,987,372	28,392,256	28,039,657	23,526,306	34,649,473
Current liabilities	32,311,174	29,305,512	25,629,844	28,294,117	22,553,877
Total liabilities	59,298,546	57,697,768	53,669,501	51,820,423	57,203,350
Total equity and liabilities	**126,094,916**	**120,487,382**	**115,889,726**	**112,923,332**	**114,746,267**

STATEMENT OF PROFIT OR LOSS					
Revenue	**41,455,877**	**30,439,219**	**21,417,676**	**10,158,154**	**20,404,533**
Profit before taxation	9,482,053	4,634,023	1,662,611	(8,934,377)	1,124,233
Taxation	(3,228,087)	(1,771,540)	(545,295)	2,664,769	(510,497)
Profit for the year from continuing operations	**6,253,966**	**2,862,483**	**1,117,316**	**(6,269,608)**	**613,736**
Loss for the year from discontinued operations	(160,854)	(244,588)			
Profit for the year	**6,093,112**	**2,617,895**			
Earnings per share (Kobo)					
- Basic	60.10	26.14	11.17	(76.55)	8.06
Net Asset per share (Kobo)					
- Basic	6.52	6.13	6.07	7.46	7.57
Dividend per share (Kobo)	**13.00**	**7.00**	**7.00**	**-**	**7.00**

Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.

COMPANY

STATEMENT OF FINANCIAL POSITION Assets	2023 ₦'000	2022 ₦'000	2021 ₦'000	2020 ₦'000	2019 ₦'000
Non-current assets	105,493,029	107,454,869	103,289,743	105,560,501	106,361,373
Current assets	17,528,197	10,461,815	9,666,801	4,995,548	5,884,679
Total assets	**123,021,226**	**117,916,684**	**112,956,544**	**110,556,049**	**112,246,052**
Equity					
Issued capital	5,121,264	5,121,264	5,121,264	5,121,264	3,800,202
Share premium	12,548,859	12,548,859	12,548,859	12,548,859	4,034,411
Other reserves	(37,850)	-	-	-	-
Retained earnings	48,924,981	45,378,512	44,347,486	43,773,111	49,904,570
Total equity	**66,557,254**	**63,048,635**	**62,017,609**	**61,443,234**	**57,739,183**
Liabilities					
Non-current liabilities	24,577,372	25,982,256	25,629,657	21,116,306	32,239,473
Current liabilities	31,886,600	28,885,793	25,309,278	27,996,509	22,267,396
Total liabilities	56,463,972	54,868,049	50,938,935	49,112,815	54,506,869
Total equity and liabilities	**123,021,226**	**117,916,684**	**112,956,544**	**110,556,049**	**112,246,052**

STATEMENT OF PROFIT OR LOSS					
Revenue	**41,438,286**	**30,432,720**	**20,558,761**	**9,647,364**	**19,499,897**
Profit before taxation	8,823,062	4,851,033	1,111,722	(8,743,483)	1,133,926
Taxation	(3,228,087)	(1,771,501)	(537,347)	2,612,024	(500,243)
Profit after taxation	**5,594,975**	**3,079,532**	**574,375**	**(6,131,459)**	**633,683**
Earnings per share (Kobo)					
- Basic	54.62	30.07	5.61	(74.85)	8.34
Net Asset per share (Kobo)					
- Basic	6.50	6.16	6.05	7.50	7.60
Dividend per share (Kobo)	**13.00**	**7.00**	**7.00**	**-**	**7.00**

Earnings per share is based on profit for the year and the number of issued and fully paid ordinary shares at the end of each financial year.

Net assets per share is based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.


Tiger

06

SHAREHOLDERS' INFORMATION

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting ("AGM") of Transcorp Hotels Plc ("the Company") is scheduled to hold on, Monday, 29 April 2024, at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESS

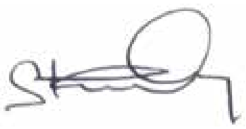
1. To lay before the members, the Audited Financial Statements of the Company for the year ended December 31, 2023, together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To approve the appointment of the following persons, as Directors of the Company
  3.1. Alhaji Garba Abubakar
  3.2. Ms. Adesimbo Ukiri
  3.3. Dr Oluwatoyin Madein
4. To re-elect the following Directors retiring by rotation:
  4.1. Dr. Owen D. Omogiafo, OON; and
  4.2. Ms. Bolanle Onagoruwa (Independent)
5. To authorise the Directors to fix the remuneration of the Auditors for the 2024 financial year.
6. To disclose the remuneration of Managers of the Company.
7. To elect members of the Statutory Audit Committee.

SPECIAL BUSINESS

8. To consider and if thought fit, pass the following as a special resolution:
"That pursuant to Part 1, Section 11 of the Schedule to the Business Facilitation (Miscellaneous Provisions) Act 2022, Article 14 of the Company's Articles of Association be amended by the insertion of a new Article 14(a) to provide as follows:
'That the Company's Annual General Meeting may hold either physically or electronically, provided that the meeting is held in compliance with the Company's Articles of Association'".
9. To consider and if thought fit, pass the following as ordinary resolutions:
'That the remuneration of Directors be and is hereby fixed at the sum of ₦91,900,000 (Ninety-One Million Nine Hundred Thousand Naira) for the year ending December 31st, 2024, such payment to be effective from 1st January 2024''
10. To consider and if thought fit, pass the following as ordinary resolutions:
  10.1. "That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganization, reconstruction and such other business arrangement exercise or actions."
  10.2. "That subject to regulatory approval (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of the above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate."

Dated this 2nd day of April 2024.

BY ORDER OF THE BOARD



Mr. Stanley Chikwendu
Group Company Secretary
FRC/2012/PRO/NBA/002/00000000590

NOTES

1. **PROXY**
Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited either at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at **corporatemeetings@africaprudential.com** not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from the Company's website at **www.transcorphotelsplc.com**.

2. **LIVE STREAMING OF AGM**
The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at **www.transcorphotelsplc.com**.

3. **DIVIDEND**
If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by Tuesday, April 30, 2024 to the shareholders whose names appear in the Company's Register of Members at the close of business on Monday, April 15, 2024.

4. **CLOSURE OF REGISTER**
The Register of Members of the Company will be closed from Tuesday, April 16, 2024 to Friday, April 19, 2024 (both dates inclusive) for the purpose of dividend payment and updating the register.

5. **NOMINATION TO THE AUDIT COMMITTEE**
In accordance with Section 404(6) of the Companies and Allied Matters Act 2020 (CAMA), any member may nominate a shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. Such notice of nominations should be sent via email to **info@transcorphotelsplc.com** for the attention of the Company Secretary. CAMA further provides that members of the Statutory Audit Committee should be financially literate.

6. **E-DIVIDEND REGISTRATION**
Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

7. **UNCLAIMED DIVIDEND WARRANTS AND SHARE CERTIFICATES**
Shareholders are hereby informed that a number of share certificates and dividend warrants which were returned to the Registrars as unclaimed are still in the custody of the Registrars. Any shareholder affected by this notice is advised to contact the Company's Registrars, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at **corporatemeetings@africaprudential.com** to lay claim.

8. **PROFILES OF DIRECTORS FOR APPOINTMENT AND RE-ELECTION**
The profiles of Alhaji Garba Abubakar, Ms. Adesimbo Ukiri and Dr Oluwatoyin Madein seeking appointment as Directors of the Company; Dr. Owen D. Omogiafo, OON and Ms. Bolanle Onagoruwa who will be retiring by rotation and will be standing for re-election are amongst the profiles of Directors that are provided in the 2023 Annual Report and on the Company's website at **www.transcorphotels.com**.

9. **E- ANNUAL REPORT PUBLISHED ON THE WEBSITE**
In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2023 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. Additionally, an electronic version of the 2023 Annual Report is available on the Company's website at **www.transcorphotels.com**.

10. **RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS**
Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company on or before Friday, April 19, 2024.

PROXY FORM

TENTH ANNUAL GENERAL MEETING OF TRANSCORP HOTELS PLC TO BE HELD ON MONDAY, APRIL 29, 2024, AT THE CONGRESS HALL, TRANSCORP HILTON ABUJA, 1, AGUIYI IRONSI STREET, MAITAMA, ABUJA, F.C.T AT 10:00 AM

WE ____
being a member/members of TRANSCORP HOTELS PLC, hereby appoint:

____
or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Tenth Annual General Meeting of the Company to be held on Monday, April 29, 2024 at Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 10:00 a.m. and at any adjournment thereof.

A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. This proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it, so as to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at corporatemeetings@africaprudential.com not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the Proxy Form must be under its common seal or under the hand of a duly authorized officer or attorney.

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

TRANSCORP HOTELS PLC

Tenth Annual General Meeting

ADMISSION CARD

Please admit the Shareholder named on this Card or his duly appointed proxy to the Annual General Meeting of the Company to be held on Monday, April 29, 2024, at the Congress Hall, Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, F.C.T at 10:00 am.

____
Name of Shareholder

____

____
Address of Shareholder

____
Number of Shares Held

____
Signature

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1,	To declare a dividend.			
2.1	To approve the appointment of Alhaji Garba Abubakar as an Independent Non-Executive Director of the Company.			
2.2	To approve the appointment of Ms. Adesimbo Ukiri as a Non-Executive Director of the Company.			
2.3	To approve the appointment of Dr. Oluwatoyin Madein as a Non-Executive Director of the Company.			
3.1	To re-elect Dr. Mrs. Owen D. Omogiafo OON, a Director retiring by rotation.			
3.2	To re-elect Ms. Bolanle Onagoruwa, an Indepedent Non-Executive Director retiring by rotation.			
4.	To authorise the Directors to fix the remuneration of the Auditors for the 2024 financial year.			
5.	To elect members of the Statutory Audit Committee.			
6.	To consider and if thought fit, pass the following as a special resolution:			
	"That pursuant to Part 1, Section 11 of the Schedule to the Business Facilitation (Miscellaneous Provisions) Act 2022, Article 14 of the Company's Articles of Association be amended by the insertion of a new Article 14(a) to provide as follows:			
	'That the Company's Annual General Meeting may hold either physically or electronically, provided that the meeting is held in compliance with the Company's Articles of Association'".			
7.	To consider and if thought fit, pass the following as ordinary resolutions:			
	'That the remuneration of Directors be and is hereby fixed at the sum of N91,900,000 (Ninety-One Million Nine Hundred Thousand Naira) for the year ending December 31st, 2024, such payment to be effective from 1st January 2024"			
8.	To consider and if thought fit, pass the following as ordinary resolutions:			
8.1	"That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganisation, reconstruction and such other business arrangement exercise or actions."			
8.2	"That subject to regulatory approval (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of the above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate."			

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

Africa Prudential
RC 649007

E-SERVICE/DATA UPDATE FORM

KINDLY FILL AND RETURN FORM TO ANY OF OUR OFFICE ADDRESSES STATED BELOW | * = COMPULSORY FIELDS

1. *SURNAME/COMPANY NAME
2. *FIRST NAME
3. OTHER NAME
4. *GENDER M F
5. E-MAIL
6. ALTERNATE E-MAIL
7. *DATE OF BIRTH D D M M Y Y Y Y
8. *MOBILE (1) (2)
9. *ADDRESS
10. OLD ADDRESS *(if any)*
11. *NATIONALITY
12. *OCCUPATION
13. *NEXT OF KIN NAME MOBILE
14. *MOTHER'S MAIDEN NAME
15. BANK NAME
16. A/C NO.
17. A/C NAME
18. A/C OPENING DATE D D M M Y Y Y Y
19. BANK VERIFICATION NO. (BVN)
20. NAME OF STOCKBROKING FIRM
21. CSCS CLEARING HOUSE NO. (CHN) C

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:
Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
2. ADAMAWA STATE GOVERNMENT BOND
3. AFRILAND PROPERTIES PLC
4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUA GROUP
10. BENUE STATE GOVERNMENT BOND
11. CAP PLC
12. CAPPA AND D'ALBERTO PLC
13. CEMENT COY. OF NORTHERN NIG. PLC
14. CSCS PLC
15. CHAMPION BREWERIES PLC
16. CWG PLC
17. CORDROS MONEY MARKET FUND
18. EBONYI STATE GOVERNMENT BOND
19. GOLDEN CAPITAL PLC
20. INFINITY TRUST MORTGAGE BANK PLC
21. INVESTMENT & ALLIED ASSURANCE PLC
22. JAIZ BANK PLC
23. KADUNA STATE GOVERNMENT BOND
24. LAGOS BUILDING INVESTMENT CO. PLC
25. GLOBAL SPECTRUM ENERGY SERVICES PLC
26. MED-VIEW AIRLINE PLC
27. MIXTA REAL ESTATE PLC *(formerly ARM Properties Plc)*
28. NEXANS KABLEMETAL NIG. PLC
29. LIVINGTRUST MORTGAGE BANK PLC
30. PERSONAL TRUST & SAVINGS LTD
31. P.S MANDRIDES PLC
32. PORTLAND PAINTS & PRODUCTS NIG. PLC
33. PREMIER BREWERIES PLC
34. RESORT SAVINGS & LOANS PLC
35. ROADS NIGERIA PLC
36. SCOA NIGERIA PLC
37. TRANSCORP HOTELS PLC
38. TRANSCORP PLC
39. TOWER BOND
40. THE LA CASERA CORPORATE BOND
41. UACN PLC
42. UNITED BANK FOR AFRICA PLC
43. UNITED CAPITAL PLC
44. UNITED CAPITAL BALANCED FUND
45. UNITED CAPITAL BOND FUND
46. UNITED CAPITAL EQUITY FUND
47. UNITED CAPITAL MONEY MARKET FUND
48. UNITED CAPITAL NIGERIAN EUROBOND FUND
49. UNITED CAPITAL WEALTH FOR WOMEN FUND
50. UNIC DIVERSIFIED HOLDINGS PLC
51. UNIC INSURANCE PLC
52. UAC PROPERTY DEVELOPMENT COMPANY PLC
53. UTC NIGERIA PLC
54. VFD GROUP PLC
55. WEST AFRICAN GLASS IND PLC

OTHERS:

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
ABUJA: Infinity House (2nd Floor), 11 Kaura Namoda Street, Off Faskari Crescent, Area 3, Garki, Abuja.
PORT-HARCOURT: Oklen Suite Building (2nd Floor), No. 1A, Evo Road, GRA Phase 2.
TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

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RC 649007

SHARE PORTAL APPLICATION FORM

Dear Registrar,

Please take this as authority to activate my account(s) on your SharePortal where I will be able to view and manage my investment portfolio online with ease.

*** = Compulsory fields**

1. *SURNAME/COMPANY NAME:
2. *FIRST NAME:
3. OTHER NAME:
4. *E-MAIL:
5. ALTERNATE E-MAIL:
6. *MOBILE NO.: **1.** **2.**
7. SEX: MALE FEMALE
8. *DATE OF BIRTH D D M M Y Y Y Y
9. *POSTAL ADDRESS:
10. CSCS CLEARING HOUSE NO.: **C**
11. NAME OF STOCKBROKER:

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:

Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC
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4. AFRICA PRUDENTIAL PLC
5. A & G INSURANCE PLC
6. ALUMACO PLC
7. A.R.M LIFE PLC
8. BECO PETROLEUM PRODUCTS PLC
9. BUACEMENTPLC
10. BUAFOODSPLC
11. BENUESTATEGOVERNMENTBOND
12. CAPPLC
13. CAPPAANDD'ALBERTOPLC
14. CSCSPLC
15. CHAMPIONBREWERIESPLC
16. CORDROS MONEY MARKET FUND
17. EBONYI STATE GOVERNMENT BOND
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50. UAC PROPERTY DEVELOPMENT COMPANY PLC
51. UTC NIGERIA PLC
52. VFDGROUPPLC
53. WESTAFRICANGLASSINDPLC

OTHERS:

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TEL: 0700 AFRIPRUD (0700 2374 7783) | E-MAIL: cxc@africaprudential.com | www.africaprudential.com | @afriprud

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RC 649007

Affix
Recent Passport
Photograph

USE GUM ONLY
NO STAPLE PINS

(to be stamped by your banker)
ONLY CLEARING BANKS ARE ACCEPTABLE

E-DIVIDEND MANDATE ACTIVATION FORM

INSTRUCTION
Please complete all section of this form to make it eligible for processing and return to the address below.

The Registrar
Africa Prudential Plc
220B, Ikorodu Road, Palmgrove, Lagos.

I/We hereby request that henceforth, all my/our Dividend Payment(s) due to me\us from my/our holdings in all the companies ticked at the right hand column be credited directly to my /our bank detailed below:

Bank Verification Number (BVN):

Bank Name:

Bank Account Number:

Account Opening Date: DD MM YYYY

SHAREHOLDER ACCOUNT INFORMATION

Gender: Male ☐ Female ☐ Date Of Birth D D M M Y Y Y Y

Surname/Company's Name First Name Other Name

Address

City State Country

Clearing House Number (CHN) (if any) C

Name of Stockbroking Firm

Mobile Telephone 1

Mobile Telephone 2

E-mail Address

DECLARATION

I/We hereby declare that the information I have provided is true and correct and that I shall be held personally liable for any of my personal details.

I/We also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Signature:

Signature:
Joint/Company's Signatories

Company Seal *(if applicable)*

Please tick against the company(ies) where you have shareholdings

CLIENTELE

1. ABBEY MORTGAGE BANK PLC ☐
2. ADAMAWA STATE GOVERNMENT BOND ☐
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4. AFRICA PRUDENTIAL PLC ☐
5. A & G INSURANCE PLC ☐
6. ALUMACO PLC ☐
7. A.R.M LIFE PLC ☐
8. BECO PETROLEUM PRODUCTS PLC ☐
9. BUA CEMENT PLC ☐
10. BUA FOODS PLC ☐
11. BENUE STATE GOVERNMENT BOND ☐
12. CAP PLC ☐
13. CAPPA AND D'ALBERTO PLC ☐
14. CSCS PLC ☐
15. CHAMPION BREWERIES PLC ☐
16. CORDROS MONEY MARKET FUND ☐
17. EBONYI STATE GOVERNMENT BOND ☐
18. GOLDEN CAPITAL PLC ☐
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20. INVESTMENT & ALLIED ASSURANCE PLC ☐
21. JAIZ BANK PLC ☐
22. KADUNA STATE GOVERNMENT BOND ☐
23. LAGOS BUILDING INVESTMENT CO. PLC ☐
24. GLOBAL SPECTRUM ENERGY SERVICES PLC ☐
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FULL DEMATERIALIZATION FORM FOR MIGRATION

INSTRUCTION: Please fill out the form in CAPITAL LETTERS. Section 'B' is applicable only if certificate(s) is/are misplaced, lost or destroyed.

Affix recent passport photograph

USE GUM ONLY
NO STAPLE PINS

Please credit my account at Central Securities Clearing System (CSCS) with shares from my holdings in ______ **"the company"**. I recognize this will invalidate any certificate(s) in my possession, or which might come into my possession in respect of my total holding(s) in this/this company.

SECTION A:

SHAREHOLDER'S FULL NAMES: ______
Surname *First Name* *Middle Name*

ADDRESS: ______

GSM NUMBER: ______ **E-MAIL:** ______

GENDER: Male ☐ Female ☐ **DATE OF BIRTH:** D D M M Y Y Y Y **CSCS INVESTOR'S A/C NO.:** ______

CLEARING HOUSE NUMBER(CHN): C ______ **REGISTRAR'S ID NO (RIN):** ______

BANK DETAILS FOR DIRECT SETTLEMENT

ACCOUNT NAME: ______ **BANK:** ______

BANK A/C NUMBER: ______ *Must be NUBAN* **BVN:** ______ *Must be confirmed by bank* **AGE OF A/C:** DD MM YYYY *Must be confirmed by bank*

Authorized Signature (1) *(and stamp of Stockbroker)*

Authorized Signature (2) *(and stamp of Stockbroker)*

Shareholder's Signature & Date

Shareholder's Signature & Date (2) *(if applicable)*

Thumb Print

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Company Seal

SECTION B: INDEMNITY FOR MISPLACED, LOST OR DESTROYED CERTIFICATE(S)

I hereby request Africa Prudential Plc to credit my account at Central Securities Clearing System (CSCS) with unit of shares not covered in my share certificate(s) details quoted in Section 'A' above. The holdings are registered in my name, and the original shares/stocks certificate(s) has/have been misplaced, lost or destroyed or was never received. I hereby, with the Guarantor whose name hereunder appears, indemnify the said Company and Africa Prudential Plc against all claims and demands, money, losses, damages, costs and expenses which may be brought against, or be paid, incurred or sustained by the said Company and /or Africa Prudential Plc by reason or in consequence of the said certificate(s) having been misplaced, destroyed, lost or in consequence of a transfer being registered without surrender of the certificate(s) or otherwise whatsoever. I further undertake and agree that if the said Certificate(s) shall hereafter be found, to forthwith deliver up to Africa Prudential Plc or their successors or assigns without cost, fee or reward.

CERTIFICATE DETAILS

S/N	CERTIFICATE NO. (IF ANY)	UNITS	S/N	CERTIFICATE NO. (IF ANY)	UNITS
1.			4.		
2.			5.		
3.			6.		

Dated this ____ day of ____, 20__

Name: ______

Signature: ______

Joint (2) (if applicable): ______

Joint (3) (if applicable): ______

Company Seal

In the Presence of:

Name: ______ **GSM NO:** ______

Address: ______ **Signature:** ______

THIS SECTION IS TO BE EXECUTED BY THE SHAREHOLDER'S STOCKBROKER, BANKER OR INSURANCE COMPANY

On behalf of ______ Plc/Ltd, we hereby agree jointly and severally keep the company and/or the Registrar or other persons acting on their behalf fully indemnified aganist all action, proceedings, liabilities, claims, losses, damage, costs and expenses in relation to or arising out of your accepting to re-issue to the rightful owner the shares/stocks, and to pay you on demand, all payments, losses, costs and expenses suffered or incurred by you in consequence thereof or arising therefrom. We/I also agree and consent that Africa Prudential Plc ("Afriprud") may collect, use, disclose, process and deal in any manner whatsoever with my/our personal, biometric and shareholding information set out in this form and/or otherwise provided by me/us or possessed by Afriprud for administration of my/our shareholding and matters related thereto.

Authorised Signatory (1): ______ **Authorised Signatory (2):** ______

Company Seal

HEAD OFFICE: 220B, Ikorodu Road, Palmgrove, Lagos.
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