



Transnational Corporation Plc
Unaudited Condensed Consolidated Financial Statements
For the Period Ended 30 September 2022

Transnational Corporation Plc
Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 30 September 2022

	Note	Group		Company	
		30 September 2022 N'000	30 September 2021 N'000	30 September 2022 N'000	30 September 2021 N'000
Revenue	19	96,245,378	85,587,511	7,635,252	5,459,669
Cost of sales	20	(49,545,980)	(46,222,004)	-	-
Gross profit		46,699,398	39,365,507	7,635,252	5,459,669
Administrative expenses	23	(15,982,844)	(12,211,681)	(1,861,647)	(1,120,461)
Impairment (loss) on financial assets		(285,271)	(556,542)	-	-
Other income	21	1,233,367	953,990	2,323,805	898,490
Other gains /(losses) - net	22	(141,076)	(26,206)	-	(674)
Operating profit		31,523,574	27,525,068	8,097,410	5,237,024
Finance cost - Net	24	(9,609,991)	(11,293,312)	(2,662,215)	(2,974,301)
Foreign exchange (loss) on financing activities	25	(1,046,952)	(2,105,145)	-	-
Profit before taxation		20,866,631	14,126,611	5,435,195	2,262,723
Taxation	16	(1,826,774)	(659,118)	(881,615)	(551,627)
Profit for the period		19,039,857	13,467,493	4,553,580	1,711,096
Profit attributable to:					
Owners of the parent		8,913,650	7,143,305	4,553,580	1,711,096
Non controlling interest		10,126,207	6,324,188	-	-
Other comprehensive income/(loss)					
<i>Items that will not be reclassified to profit or loss:</i>					
Net (loss)/gain on equity instruments designated at fair value through OCI	22	(218,565)	(505,143)	(218,565)	(505,143)
Total comprehensive income for the period		18,821,292	12,962,350	4,335,015	1,205,953
Attributable to:					
Owners of the parent		8,695,085	6,638,162	4,335,015	1,205,953
Non controlling interest		10,126,207	6,324,188	-	-
Basic EPS (kobo)	26	21.93	17.57	11.20	4.21
Diluted EPS (kobo)	26	21.93	17.57	11.20	4.21

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

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

Transnational Corporation Plc
Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 30 September 2022

	Note	Group		Company	
		July - September 2022 N'000	July - September 2021 N'000	July - September 2022 N'000	July - September 2021 N'000
Revenue	19	33,356,353	32,327,276	3,118,541	2,414,055
Cost of sales	20	(17,762,173)	(16,467,793)	-	-
Gross profit		15,594,180	15,859,483	3,118,541	2,414,055
Administrative expenses	23	(5,091,285)	(4,712,912)	(1,097,345)	(375,132)
Impairment (loss) on financial assets		49,729	(283,787)	-	-
Other income	21	510,102	333,670	1,034,433	320,196
Other gains /(losses) - net	22	(17,768)	(6,382)	-	-
Operating profit		11,044,958	11,190,072	3,055,629	2,359,119
Finance cost - Net	24	(3,537,429)	(3,320,044)	(917,701)	(854,380)
Foreign exchange (loss) on financing activities	25	(3,013)	(794,835)	-	-
Profit before taxation		7,504,516	7,075,193	2,137,928	1,504,739
Taxation	16	(476,393)	(110,673)	(332,474)	(243,238)
Profit for the period		7,028,123	6,964,520	1,805,454	1,261,501
Profit attributable to:					
Owners of the parent		3,061,222	3,927,696	1,805,454	1,261,501
Non controlling interest		3,966,901	3,036,824	-	-
Other comprehensive income/(loss)					
<i>Items that will not be reclassified to profit or loss:</i>					
Net (loss)/gain on equity instruments designated at fair value through OCI	22	(217,719)	145,736	(217,719)	145,736
Total comprehensive income for the period		6,810,404	7,110,256	1,587,735	1,407,237
Attributable to:					
Owners of the parent		2,843,503	4,073,432	1,587,735	1,407,237
Non controlling interest		3,966,901	3,036,824	-	-
Basic EPS (kobo)	26	7.53	9.66	4.44	3.10
Diluted EPS (kobo)	26	7.53	9.66	4.44	3.10

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

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

Transnational Corporation Plc
Statement of Financial Position
As at 30 September 2022

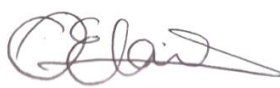
	Note	Group		Company	
		30 September 2022 N'000	31 December 2021 N'000	30 September 2022 N'000	31 December 2021 N'000
Assets					
Non-current assets					
Property, plant and equipment	5	275,350,461	277,816,617	67,702	51,151
Right of use assets	5	364,388	288,524	245,955	288,524
Intangible assets	6	41,027,335	41,199,858	5,075,818	5,075,818
Investment property	7	2,194,000	2,194,000	2,194,000	2,194,000
Investment in subsidiaries	8	-	-	42,395,763	42,395,763
Debt and equity securities	13	5,316,327	5,411,024	3,669,397	3,887,961
Deferred tax	9	792,202	792,202	-	-
Prepayments and other assets	12	100,066	38,403	100,066	38,403
		325,144,779	327,740,628	53,748,701	53,931,620
Current assets					
Inventories	10	5,961,610	4,463,680	-	-
Trade and other receivables	11	78,528,325	67,981,453	36,714,008	35,246,097
Prepayments and other assets	12	1,624,013	1,582,608	122,303	33,921
Cash and cash equivalents	14	9,916,970	14,231,648	754,609	493,255
		96,030,918	88,259,389	37,590,920	35,773,273
Total assets		421,175,697	416,000,017	91,339,621	89,704,893
Liabilities					
Current liabilities					
Trade and other payables	15	129,301,236	135,077,249	7,813,111	9,913,480
Tax Payable	16	2,369,685	3,645,712	291,274	288,087
Contract Liabilities		152,820	152,820	-	-
Lease Liability		-	297,123	-	297,123
Deferred income		450,659	450,659	-	-
Borrowings (short term)	17	30,919,759	55,387,033	23,675,358	23,842,510
		163,194,159	195,010,596	31,779,743	34,341,200
Non-current liabilities					
Borrowings (long term)	17	72,574,933	50,698,711	14,333,407	13,659,279
Deposit for shares	18	12,935,000	12,935,000	-	-
Contract Liabilities		2,275,477	2,333,370	-	-
Deferred income		1,668,809	2,005,878	-	-
Deferred tax	9	6,724,180	6,724,181	-	-
		96,178,399	74,697,140	14,333,407	13,659,279
Total liabilities		259,372,558	269,707,736	46,113,150	48,000,479
Equity					
Ordinary share capital	27	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	27	6,249,871	6,249,871	6,249,871	6,249,871
Other reserves		26,233,421	26,451,987	1,587,505	1,806,069
Retained earnings		53,205,355	47,602,138	17,065,099	13,324,478
Equity attributable to owners of the parent		106,012,643	100,627,992	45,226,471	41,704,414
Non controlling interest		55,790,496	45,664,289	-	-
Total equity		161,803,139	146,292,281	45,226,471	41,704,414
Net equity and liabilities		421,175,697	416,000,017	91,339,621	89,704,893

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

The Unaudited financial statements on pages 1 to 19 were approved and authorised for issue by the Board of Directors on 26th October 2022 and were signed on its behalf by



Joseph Adegunwa
Group Chief Finance Officer
FRC/2019/ICAN/00000019103



Owen Omogiafo
President/Chief Executive Officer
FRC/2019/IODN/00000019827



Emmanuel Nnorom
Director
FRC/2014/ICAN/00000007402

Transnational Corporation Plc
Statement of Changes in Equity
For the Period Ended 30 September 2022

Group	Attributable to owners of the parent					Total Attributable to owners of the parents N'000	Non Controlling interest N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total			
As at 1 January 2021	20,323,996	6,249,871	1,982,031	28,620,256	57,176,154	38,249,016	95,425,170	
Profit for the year	-	-	-	13,964,329	13,964,329	9,867,123	23,831,452	
Adjustment for disposal of shares	-	-	-	-	-	2,494,214	2,494,214	
Dividend	-	-	-	(406,480)	(406,480)	(4,946,064)	(5,352,544)	
Other comprehensive income/(loss)	-	-	(287,642)	-	(287,642)	-	(287,642)	
Other reserve from Trans Afam Power Ltd	-	-	24,757,597	-	24,757,597	-	24,757,597	
Retained earnings from Trans Afam Power Ltd	-	-	-	5,424,033.00	5,424,033	-	5,424,033	
Balance at 31 December 2021	20,323,996	6,249,871	26,451,986	47,602,138	100,627,991	45,664,289	146,292,280	
As at 1 January 2021	20,323,996	6,249,871	1,982,031	28,620,256	57,176,154	38,249,016	95,425,170	
Profit/(Loss) for the period	-	-	-	3,215,609	3,215,609	3,287,364	6,502,973	
Dividend paid	-	-	-	(406,480)	(406,480)	-	(406,480)	
Right Issue	-	-	-	-	-	-	-	
Other comprehensive income	-	-	(650,879)	-	(650,879)	-	(650,879)	
Balance at 30 September 2021	20,323,996	6,249,871	1,331,152	31,429,385	59,334,404	41,536,380	100,870,784	
As at 1 January 2022	20,323,996	6,249,871	26,451,986	47,602,138	100,627,991	45,664,289	146,292,280	
Profit for the period	-	-	-	8,913,650	8,913,650	10,126,207	19,039,857	
Dividend paid	-	-	-	(3,310,430)	(3,310,430)	-	(3,310,430)	
Other comprehensive income	-	-	(218,565)	-	(218,565)	-	(218,565)	
Balance at 30 September 2022	20,323,996	6,249,871	26,233,421	53,205,358	106,012,646	55,790,496	161,803,142	

Transnational Corporation Plc
Statement of Changes in Equity
For the Period Ended 30 September 2022

Company	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total Controlling interest N'000	Non Controlling interest N'000	Total equity N'000
As at 1 January 2021	20,323,996	6,249,871	2,093,711	10,296,595	38,964,173	-	38,964,173
Profit for the year				3,434,363	3,434,363		3,434,363
Dividend paid			-	(406,480)	(406,480)		(406,480)
Other comprehensive income/(loss)			(287,642)	-	(287,642)	-	(287,642)
Balance at 31 December 2021	20,323,996	6,249,871	1,806,069	13,324,478	41,704,414	-	41,704,414
As at 1 January 2021	20,323,996	6,249,871	2,093,711	10,296,595	38,964,173	-	38,964,173
Profit for the period	-	-	-	449,595	449,595	-	449,595
Dividend paid	-	-	-	(406,480)	(406,480)	-	(406,480)
Other comprehensive income	-	-	(650,879)	-	(650,879)	-	(650,879)
Balance at 30 September 2021	20,323,996	6,249,871	1,442,832	10,339,710	38,356,409	-	38,356,409
As at 1 January 2022	20,323,996	6,249,871	1,806,069	13,324,478	41,704,414	-	41,704,414
Profit for the period			-	4,553,580	4,553,580	-	4,553,580
Dividend paid			-	(812,959)	(812,959)	-	(812,959)
Other comprehensive income			(218,565)	-	(218,565)	-	(218,565)
Balance at 30 September 2022	20,323,996	6,249,871	1,587,504	17,065,099	45,226,470	-	45,226,470

Transnational Corporation Plc
Statement of Cash Flows
For the Period Ended 30 September 2022

	Note	Group		Company	
		30 September 2022 N'000	30 September 2021 N'000	30 September 2022 N'000	30 September 2021 N'000
Cash flows from operating activities					
Cash generated from/(used in) operations	28	18,527,591	27,339,178	3,140,640	2,889,793
Tax paid		(3,102,801)	(638,064)	(11,916)	(5,490)
Net cash flows generated from/(used in) operating activities		15,424,790	26,701,114	3,128,724	2,884,303
Cash flows from investing activities					
Dividend Income on equity security		128,675	101,331	128,675	101,331
Interest received/paid		(828,970)	62,282	696,926	233,540
Proceed from sale of property, plant and equipment (loss) on		151,363	(66,793)	-	-
Purchase of property, plant and equipment		(2,709,016)	(5,616,097)	(27,847)	(6,038)
Deposit for Investment		-	(2,632,500)	-	-
Investment in subsidiaries		-	-	-	(449,025)
Net cash flows (used in)/generated from investing activities		(3,257,948)	(8,151,777)	797,754	(120,192)
Cash flows from financing activities					
Net movement in borrowings		(2,591,052)	(825,007)	506,976	1,239,922
Dividend paid		(3,310,430)	(406,480)	(812,959)	(406,480)
Interest paid		(10,438,962)	(11,355,594)	(3,359,141)	(3,207,841)
Net cash flows (used in)/generated from financing activities		(16,340,444)	(12,587,081)	(3,665,124)	(2,374,399)
Net (decrease)/increase in cash and cash equivalents		(4,173,602)	5,962,256	261,354	389,712
Cash and cash equivalents at the beginning of the period		14,231,648	3,769,341	493,255	1,172,613
Foreign exchange loss/(gain) on cash and cash equivalents		(141,076)	(26,204)	-	(674)
Cash and cash equivalents at the end of the period		9,916,970	9,705,393	754,609	1,561,651

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

Transnational Corporation Plc

Notes to the Financial Statements

For the Period Ended 30 September 2022

1. General information

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

The company recently changed its name from "Transnational Corporation of Nigeria Plc" to **Transnational Corporation Plc**

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

- Trans Afam Power Limited
- Transcorp Hotels Plc
- Transcorp Hotels Calabar Limited
- Transcorp Energy Limited
- Aura by Transcorp Hotels
- Transcorp Power Limited
- Transcorp Properties Limited
- Transcorp OPL 281 Limited
- Transcorp Hotels Ikoyi Limited
- Transcorp Hotels Port Harcourt Limited

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

2. Summary of significant accounting policies

Basis of preparation

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

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2021.

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

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

Transnational Corporation Plc

Notes to the Financial Statements

For the Period Ended 30 September 2022

3 Fair value estimation

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

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

Assets	At 30 September 2022			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income				
Equity securities at fair value through OCI	5,316,327	-	-	5,316,327

Assets	At 31 December 2021			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Profit attributable to:	5,411,024	-	-	5,411,024

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

(a) Financial instruments in level 1

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

4 Segment analysis

The Group

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

i Hospitality

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

ii Agro-allied

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

iii Power

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

iv Oil & Gas

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

v Corporate Centre

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

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

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

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

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

As at 30 September 2022

	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Intersegment elimination	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	22,651,010	-	-	73,594,368	7,635,252	(7,635,252)	96,245,378
Other income	460,984	-	-	-	2,323,805	(696,926)	2,087,863
Finance cost	3,045,367	-	-	4,730,254	3,359,141	(696,926)	10,437,836
Depreciation and amortisation	1,908,186	-	-	3,271,109	52,317	-	5,231,612
Profit/(loss) before taxation	3,393,937	-	-	19,698,424	5,435,196	(7,660,926)	20,866,631
Segmental assets	116,203,154	7,365,115	55,073	165,829,257	91,339,620	40,383,478	421,175,697
Segmental liabilities	51,094,501	8,277,528	1,766,561	111,629,423	46,113,047	40,491,498	259,372,558
Net assets	65,108,653	(912,413)	(1,711,488)	54,199,834	45,226,573	(108,020)	161,803,139

As at 30 September 2021

	Hospitality	Oil & gas	Agro-allied	Power	Corporate centre	Intersegment elimination	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	14,601,236	-	-	70,986,274	5,459,669	(5,459,669)	85,587,510
Other income	817,468	-	-	-	897,816	(233,540)	1,481,744
Finance cost	3,028,057	-	-	5,228,122	3,207,841	(233,540)	11,230,480
Depreciation and amortisation	1,916,896	-	-	2,055,079	48,047	-	4,020,022
Profit/(loss) before taxation	749,426	-	-	16,574,129	2,262,724	-545,966	14,126,610
Segmental assets	110,062,752	7,365,115	55,073	191,454,686	90,736,302	(44,124,746)	355,549,182
Segmental liabilities	49,966,681	8,277,528	1,766,561	135,305,720	50,972,657	(17,705,218)	228,583,929
Net assets	60,096,071	(912,413)	(1,711,488)	56,148,966	39,763,645	(26,419,528)	126,965,253

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

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

	30 September 2022	30 September 2021
	N'000	N'000
Revenue		
Total revenue for reportable segments	103,880,630	91,047,179
Elimination of inter-segment revenue (i)	(7,635,252)	(5,459,668)
External revenue	96,245,378	85,587,511
Profit or loss		
Total (loss) or profit for reportable segments	28,527,557	19,586,279
Elimination of inter-segment profits (ii)	(7,660,926)	(5,459,668)
Consolidated (loss) or profit before taxation	20,866,631	14,126,611
Assets		
Total assets of reportable segments	380,792,219	398,869,064
Consolidation eliminations (iii)	(40,383,478)	(40,607,927)
Consolidated total assets	421,175,697	358,261,137
Liabilities		
Total liabilities of reportable segments	218,881,060	253,645,367
Consolidation eliminations (iv)	(40,491,498)	(15,239,227)
Consolidated total liabilities	259,372,558	238,406,140

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

Transnational Corporation Plc

Notes to the Financial Statements

For the Period Ended 30 September 2022

4 Segment analysis (continued)

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

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

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

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

Entity-wide information

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

Analysis of revenue by category:

	30 September 2022	30 September 2021
	N'000	N'000
Rooms	14,113,529	9,228,432
Food and beverage	6,814,525	3,962,621
Shop rental	746,418	605,396
Service charge	190,459	140,154
Other operating revenue	786,079	664,634
Capacity charge	24,481,558	24,527,532
Energy sent out	49,093,610	46,433,842
Ancillary services	19,200	24,900
Total	96,245,378	85,587,511

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

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

5 Property, plant and equipment (PP&E)

Group	Land	Building & improvements	Plant & machinery	Computer & office equipments	Motor vehicles	Capital work in progress	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2021	37,739,649	52,280,017	70,129,487	18,386,061	848,386	9,156,266	188,539,866
Transfer of cost of assets from Trans Afam Power Ltd	1,784,600	2,748,017	109,199,600	85,766	8,100		113,826,083
Additions	-	155,794	4,704,440	393,307	119,587	10,135,489	15,508,617
Disposals	-				(105,227)	-	(105,227)
Balance as at 31 December 2021	39,524,249	55,183,828	184,033,527	18,865,134	870,846	19,291,755	317,769,339
Balance as at 1 January 2022	39,524,249	55,183,828	184,033,527	18,865,134	870,846	19,291,755	317,769,339
Additions	333,413	247,909	1,046,576	1,016,889	775	63,454	2,709,016
Disposals	-	-	(29,185)	(2,559)	(8,025)	-	(39,769)
Balance as at 30 September 2022	39,857,662	56,437,303	185,050,918	19,879,464	863,596	18,349,450	320,438,393
Depreciation and Impairment losses							
Balance as at 1 January 2021	-	4,977,609	22,759,040	5,011,784	653,644	-	33,402,077
Depreciation for the period	-	1,167,993	4,230,263	1,189,694	68,550	-	6,656,500
Profit for the period					(105,227)		(105,227)
Write-off	-	-	-	(628)	-	-	(628)
Profit attributable to:							
Balance as at 31 December 2021	-	6,145,602	26,989,303	6,200,850	616,967	-	39,952,722
Balance as at 1 January 2022	-	6,145,602	26,989,303	6,200,850	616,967	-	39,952,722
Depreciation for the period	-	843,325	3,401,774	885,152	42,815	-	5,173,066
Disposals	-	-	-	(30,587)	(7,269)	-	(37,856)
Balance as at 30 September 2022	-	6,988,927	30,391,077	7,055,415	652,513	-	45,087,932
Net book value							
At 30 September 2022	39,857,662	49,448,375	154,659,841	12,824,049	211,083	18,349,450	275,350,461
At 31 December 2021	39,524,249	49,038,226	157,044,224	12,664,284	253,879	19,291,755	277,816,617

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

5 Property, plant and equipment (continued)

Company	Building & improvements N'000	Plant & Machinery N'000	Computer & office equipments N'000	Motor vehicles N'000	Capital work in progress N'000	Total N'000
Balance as at 1 January 2021	28,862	8,771	73,712	15,553	-	126,898
	7,504	-	6,843	-	23,558	37,905
Balance as at 31 December 2021	36,366	8,771	80,555	15,553	23,558	164,803
Balance as at 1 January 2022	36,366	8,771	80,555	15,553	23,558	164,803
Additions	1,477	13,945	34,274	-	(21,849)	27,847
Disposals	-	-	(2,559.00)	(8,025)	-	(10,584)
Balance as at 30 September 2022	37,843	22,716	112,270	7,528	1,709	182,066
Depreciation and impairment losses						
Balance as at 1 January 2021	28,862	3,766	63,836	10,457	-	106,921
Depreciation for the period	313	769	4,437	1,840	-	7,359
Write-off	-	-	(628)	-	-	(628)
Balance as at 31 December 2021	29,175	4,535	67,645	12,297	-	113,652
Balance as at 1 January 2022	29,175	4,535	67,645	12,297	23,558	113,652
Depreciation for the period	1,493	1,392	5,350	1,413	(21,849)	9,648
Disposals	-	-	(1,667)	(7,269)	-	(8,936)
Balance as at 30 September 2022	30,668	5,927	71,329	6,441	1,709	114,364
Net book value						
At 30 September 2022	7,175	16,789	40,941	1,087	-	67,702
At 31 December 2021	7,191	4,236	12,910	3,256	-	51,151

Depreciation is allocated as follows;

Cost of sales
Administrative expenses

Group		Company	
30 September 2022	30 September 2021	30 September 2022	30 September 2021
N'000	N'000	N'000	N'000
3,840,340	1,619,730	-	-
2,048,789	1,319,273	52,317	32,138
5,889,129	2,939,003	52,317	32,138

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

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

Right of use aassets

	Group	Company
Cost		
Balance as at 1 January 2021	179,005	179,005
Additions	283,146	283,146
Balance as at 31 December 2021	<u>462,151</u>	<u>462,151</u>
Balance as at 1 January 2022	462,151	462,151
Additions	118,433	-
Balance as at 30 September 2022	<u>580,584</u>	<u>462,151</u>
Depreciation and Impairment losses		
Balance as at 1 January 2021	116,112	116,112
Depreciation for the period	57,515	57,515
Profit attributable to:		
Balance as at 31 December 2021	<u>173,627</u>	<u>173,627</u>
Balance as at 1 January 2022	173,627	173,627
Depreciation for the period	42,569	42,569
Balance as at 30 September 2022	<u>216,196</u>	<u>216,196</u>
Net book value		
At 30 September 2022	364,388	245,955
At 31 December 2021	288,524	288,524

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

6 Intangible assets

	Group					Company		
	Goodwill	Computer software	Oil Prospecting License	Exploration and evaluation expenditure	Total	Computer software	Oil Prospecting License	Total
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost								
At 1 January 2021	30,934,143	326,493	5,075,818	5,031,292	41,367,746	12,966	5,075,818	5,088,784
Addition	-	68,748	-	-	68,748	-	-	-
As at 31 December 2021	30,934,143	395,241	5,075,818	5,031,292	41,436,494	12,966	5,075,818	5,088,784
At 1 January 2022	30,934,143	395,241	5,075,818	5,031,292	41,436,494	12,966	5,075,818	5,088,784
Addition	-	(151,363)	-	-	(151,363)	-	-	-
As at 30 September 2022	30,934,143	243,878	5,075,818	5,031,292	41,285,131	12,966	5,075,818	5,088,784
Accumulated amortisation								
At 1 January 2021	-	211,663	-	-	211,663	12,966	-	12,966
Amortisation charge	-	24,973	-	-	24,973	-	-	-
As at 31 December 2021	-	236,636	-	-	236,636	12,966	-	12,966
At 1 January 2022	-	236,636	-	-	236,636	12,966	-	12,966
Amortisation charge	-	21,160	-	-	21,160	-	-	-
As at 30 September 2022	-	257,796	-	-	257,796	12,966	-	12,966
Net book value								
As at 30 September 2022	30,934,143	(13,918)	5,075,818	5,031,292	41,027,335	-	5,075,818	5,075,818
At 31 December 2021	30,934,143	158,605	5,075,818	5,031,292	41,199,858	-	5,075,818	5,075,818

Goodwill is not amortised but tested for impairment annually.

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

7 Investment property

	Group		Company	
	30 September 2022 N'000	31 December 2021 N'000	30 September 2022 N'000	31 December 2021 N'000
At 1 January	2,194,000	2,047,900	2,194,000	2,047,900
Net gain from fair value remeasurement	-	146,100	-	146,100
Foreign exchange (loss) on financing activities	2,194,000	2,194,000	2,194,000	2,194,000

Profit before taxation

8 Investment in subsidiaries

Profit for the period

Transcorp Hotels Plc
Profit attributable to:
Trans Afam Nigeria Limited
Other subsidiaries

Company	
30 September 2022 N'000	31 December 2021 N'000
25,470,755	25,470,755
47,500	47,500
16,826,588	16,826,588
50,920	50,920
42,395,763	42,395,763

Movement in investment in subsidiaries is analysed as follows:

At 1 January
Transfer to Intercompany
Addition / (Disposal) in Investment
Disposal of Investment
Foreign exchange (loss) on financing activities

Company	
30 September 2022 N'000	31 December 2021 N'000
42,395,763	61,167,716
-	(16,277,500)
-	20
-	(2,494,473)
42,395,763	42,395,763

9 Deferred tax

The balance of Deferred tax assets/ (Liabilities) is as follows:
Deferred tax assets

Group	
30 September 2022 N'000	31 December 2021 N'000
792,202	792,202
(6,724,180)	6,724,181
(5,931,978)	7,516,383

10 Inventories

Food and beverage
Fuel/lubricant
Spares
Guest supplies

Group	
30 September 2022 N'000	31 December 2021 N'000
226,219	-
322,042	84,486
4,937,643	4,185,754
475,706	193,440
5,961,610	4,463,680

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

11 Trade and other receivables

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	N'000	N'000	N'000	N'000
Trade receivables	41,043,985	70,226,191	-	-
Related Parties and Other receivables	43,962,956	4,724,712	39,563,239	38,662,414
	85,006,941	74,950,903	39,563,239	38,662,414
Less: provision for impairment	(6,478,616)	(6,969,450)	(2,849,230)	(3,416,316)
	78,528,325	67,981,453	36,714,009	35,246,098

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

12 Prepayments and Other Assets

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	N'000	N'000	N'000	N'000
Prepayments	1,724,079	1,206,502	122,303	72,324
Other assets	0	414,509	100,066	-
	1,724,079	1,621,011	222,369	72,324
Foreign exchange (loss) on financing activities	100,066	38,403	100,066	38,403
Profit before taxation	1,624,013	1,582,608	122,303	33,921

13 Debt and equity securities

	Group	
	30 September 2022	31 December 2021
	N'000	N'000
Non-current portion		
Equity securities at fair value through OCI	5,316,327	5,411,024
	5,316,327	5,411,024

	Company	
	30 September 2022	31 December 2021
	N'000	N'000
At 1 January	3,887,961	4,175,603
Fair value gain/(loss)	(218,565)	(287,642)
	3,669,396	3,887,961

14 Cash and cash equivalents

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	N'000	N'000	N'000	N'000
Cash and bank balance	9,916,970	14,231,648	754,609	493,255

15 Trade and other payables

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	N'000	N'000	N'000	N'000
Trade Creditors	93,186,725	115,355,057	-	-
Accruals and other liabilities	31,699,767	13,738,511	6,278,351	8,532,231
Dividend payable	2,462,848	4,542,263	-	-
Deferred Income	229,619	-	-	-
VAT payable	224,914	61,681	37,396	322,721
Unclaimed Dividend	1,186,672	1,205,545	1,186,672	1,058,528
Advance Deposit	310,692	174,192	310,692	-
	129,301,236	135,077,249	7,813,111	9,913,480

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

16 Taxation

	Group		Company	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	N'000	N'000	N'000	N'000
Income tax	1,462,803	295,147	118,090	5,660
Education tax	363,971	363,971	-	-
	1,826,774	659,118	118,090	5,660
Tax on franked investment income	-	-	763,525	545,967
Deferred tax	-	-	-	-
	1,826,774	659,118	881,615	551,627

The movement in tax payable is as follows:

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	N'000	N'000	N'000	N'000
At 1 January	3,645,712	1,268,091	288,087	218,525
Provision for the period	1,826,774	3,267,403	118,090	75,051
Payment during the period	(3,102,801)	(889,782)	(11,916)	(5,489)
	2,369,685	3,645,712	291,274	288,087

17 Borrowings

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	N'000	N'000	N'000	N'000
Falling due within the period	30,919,759	55,387,033	23,675,358	23,842,510
	30,919,759	55,387,033	23,675,358	23,842,510
Falling due after one year	72,574,933	50,698,711	14,333,407	13,659,279
	72,574,933	50,698,711	14,333,407	13,659,279
Total	103,494,692	106,085,744	38,008,765	37,501,789

18 Deposit for shares

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	N'000	N'000	N'000	N'000
Deposit for shares-THIL	2,410,000	2,410,000	-	-
Deposit for shares-TAPL	10,525,000	10,525,000	-	-
	12,935,000	12,935,000	-	-

Deposit for shares (THIL) relates to Heirs Holdings Limited's contribution to the development of Transcorp Hotels Ikoyi Limited (THIL). Based on the Memorandum of Understanding between Transnational Corporation Plc and Heirs Holdings Limited, THIL will repay or issue shares to Heirs Holdings Limited on completion of the construction and start of operation of the hotel.

Deposit for shares- TAPL relates to other parties contribution to Trans Afam Power Limited (TAPL) towards the acquisition cost for the Afam Power Genco.

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

19 Revenue	Group		Company	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
The group derives the following types of revenue:	N'000	N'000	N'000	N'000
Rooms	14,113,529	9,228,432	-	-
Food and beverage	6,814,525	3,962,621	-	-
Shop rental	746,418	605,396	-	-
Service charge	190,459	140,154	-	-
Other operating revenue	786,079	664,634	-	-
Dividend income	-	-	7,635,252	5,459,669
Capacity charge	24,481,558	24,527,532	-	-
Energy sent out	49,093,610	46,433,842	-	-
Ancillary services	19,200	24,900	-	-
	96,245,378	85,587,511	7,635,252	5,459,669

All recognised revenue were generated in Nigeria.

20 Cost of sales	Group	
	30 September 2022	30 September 2021
Rooms	2,093,319	1,306,152
Staff costs	687,803	572,218
Food and beverage	4,016,522	2,335,579
Natural gas and fuel costs	35,593,162	38,111,059
Other direct expenses	312,738	335,427
Repairs and maintenance	2,430,534	1,242,942
Depreciation	3,840,340	2,046,014
Insurance	227,073	180,477
Other operating cost	344,489	92,136
	49,545,980	46,222,004

21 Other income	Group		Company	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Dividend income on equity securities	128,675	101,331	128,675	101,331
Management fees from subsidiaries	-	-	1,589,227	787,500
Director's Refund	-	-	26,339	-
Other income	1,104,692	852,659	579,564	9,659
	1,233,367	953,990	2,323,805	898,490

22 Other gains/(losses) - net	Group		Company	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Included in profit or loss	N'000	N'000	N'000	N'000
Foreign exchange gain/(loss)	(141,076)	(26,206)	-	(674)
	(141,076)	(26,206)	-	(674)
Included in other comprehensive income	(218,565)	(505,143)	(218,565)	(505,143)
Fair value gain/(loss) on equity securities				

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

23 Administrative and general expenses

	Group		Company	
	30 September 2022 N'000	30 September 2021 N'000	30 September 2022 N'000	30 September 2021 N'000
Staff costs	2,311,111	1,909,402	346,271	244,323
Depreciation	2,048,789	1,954,859	52,317	48,047
Amortisation	21,160	19,149	-	-
Auditors' remuneration	110,791	68,682	23,784	22,342
Management and incentive fees	2,057,161	1,853,029	-	-
Professional fees	1,053,403	798,688	398,570	398,103
Director's remuneration	388,179	314,719	135,166	161,368
Repairs and maintenance	1,221,397	663,699	14,094	9,858
Advertising	12,094	119,372	3,477	11,429
Group service benefits	438,988	279,565	-	-
Insurance	353,332	318,194	15,587	13,608
Electricity and diesel cost	1,729,246	1,231,828	31,577	16,846
Travel and accommodation	323,936	171,780	66,960	43,678
Licenses and fees	21,309	25,248	21,309	25,248
Bank charges	597,080	296,076	4,349	14,948
Other operating expenses	3,294,868	2,187,391	748,186	110,663
	15,982,844	12,211,681	1,861,647	1,120,461

24 Finance costs and income

	Group		Company	
	30 September 2022 N'000	30 September 2021 N'000	30 September 2022 N'000	30 September 2021 N'000
Finance costs:				
Interest expense on loans	10,438,962	11,355,594	3,359,141	3,207,841
Interest expense on loans	10,438,962	11,355,594	3,359,141	3,207,841
Finance income:				
Interest on loan	(828,971)	62,282	696,926	233,540
	(828,971)	62,282	696,926	233,540
Finance Cost - net	9,609,991	11,293,312	2,662,215	2,974,301

25 Net foreign exchange losses

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

	Group		Company	
	30 September 2022 N'000	30 September 2021 N'000	30 September 2022 N'000	30 September 2021 N'000
Foreign exchange loss on borrowings	1,046,952	2,105,145	-	-

26 Earnings per share

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

	Group		Company	
	30 September 2022 N'000	30 September 2021 N'000	30 September 2022 N'000	30 September 2021 N'000
Profit attributable to shareholders	8,913,650	7,143,305	4,553,580	1,711,096
Weighted average number of ordinary shares in issue	40,647,991	40,647,991	40,647,991	40,647,991
Basic earnings per share (Kobo)	21.93	17.57	11.20	4.21
Diluted earnings per share (Kobo)	21.93	17.57	11.20	4.21

27 Share capital

a Authorised:

	Group		Company	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
45,000,000,000 ordinary shares of 50kobo each	20,323,996	22,500,000	20,323,996	22,500,000

Allotted, called up and fully paid:

	Group and Company		
	Number of shares (thousands)	Ordinary shares N'000	Total N'000
At 1 January 2021	40,647,991	20,323,996	20,323,996
	40,647,991	20,323,996	20,323,996

Transnational Corporation Plc
Notes to the Financial Statements
For the Period Ended 30 September 2022

b Share premium

Group and Company	
30 September 2022	31 December 2021
N'000	N'000
6,249,871	6,249,871
6,249,871	6,249,871

At 1 January

At 30 September 2022

28 Cash generated from operating activities

	Group		Company	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
	N'000	N'000	N'000	N'000
Profit/(Loss) before tax	20,866,631	14,126,611	5,435,195	2,262,723
Adjustment for:				
Depreciation of PP&E	5,173,066	4,029,901	52,317	48,047
Amortization of intangible assets	21,160	19,149	-	-
Impairment allowance on financial assets	285,271	-	-	-
Dividend Income on equity securities	(128,675)	(101,331)	(128,675)	(101,331)
Finance cost	10,438,962	11,355,594	3,359,141	3,207,841
Finance income	(828,971)	62,282	(696,926)	(233,540)
Foreign Exchange loss/(gain)	1,046,952	2,105,145	-	-
Changes in working capital:				
(Increase) in trade and other receivables	(10,546,872)	(7,412,445)	(2,319,306)	(88,781)
(Increase) in prepayment and other asset	(103,068)	(36,911)	(150,045)	(66,603)
(Increase) in inventories	(1,497,930)	(254,472)	-	-
(Decrease) in Deferred Income	(310,692)	(290,363)	(310,692)	-290,363
(Decrease)/Increase in trade and other payables	(5,888,243)	3,736,018	(2,100,369)	(1,848,200)
Net cash generated from/(used in) operations	18,527,591	27,339,178	3,140,640	2,889,793

29 Contingent liabilities

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

30 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Transnational Corporation Plc (the Company) maintains effective Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy is regularly reviewed and updated by the Board. The Company has made specific inquiries of all the directors and other insiders and is not aware of any infringement of the policy during the period

31 Subsequent events

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