



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

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

	Note	Group		Company	
		30 June 2017 N'000	31 December 2016 N'000	30 June 2017 N'000	31 December 2016 N'000
Assets					
Non-current assets					
Property, plant and equipment	5	134,541,374	124,660,561	15,880	21,250
Intangible assets	6	38,941,951	38,951,969	5,075,960	5,076,102
Investment property	7	1,706,600	1,706,600	1,706,600	1,706,600
Investment in subsidiaries	8	-	-	27,529,887	27,529,887
Debt and equity securities	13	4,228,157	2,207,943	4,228,157	2,207,943
Deferred tax	9	3,356,550	3,356,550	-	-
Prepaid lease rental (long term)	10	43,704	58,704	-	-
		182,818,336	170,942,327	38,556,484	36,541,782
Current assets					
Inventories	11	4,922,502	4,722,545	-	-
Trade and other receivables	12	73,960,862	54,104,539	21,427,736	21,366,895
Prepaid lease rental (short term)	10	30,000	30,000	-	-
Cash and cash equivalents	14	2,569,571	2,361,320	4,736	5,026
		81,482,935	61,218,404	21,432,472	21,371,921
Total assets		264,301,271	232,160,731	59,988,956	57,913,703
Liabilities					
Current liabilities					
Trade and other payables	15	47,684,042	31,586,476	3,560,503	5,678,281
Taxation	16	4,160,218	4,137,597	56,221	196,580
Borrowings (short term)	17	13,586,755	25,600,695	5,309,039	10,987,060
Advance deposits	20	1,875,000	1,875,000	1,875,000	1,875,000
		67,306,015	63,199,768	10,800,763	18,736,921
Non-current liabilities					
Borrowings (long term)	17	92,050,056	72,943,568	15,394,755	8,231,283
Other Payables	18	2,714,728	-	-	-
Deposit for shares	19	2,410,000	2,410,000	-	-
Deferred tax	9	7,158,798	7,158,798	-	-
		104,333,582	82,512,366	15,394,755	8,231,283
Total liabilities		171,639,597	145,712,134	26,195,518	26,968,204
Equity					
Ordinary share capital	29	20,323,996	20,323,996	20,323,996	20,323,996
Share premium	29	6,249,871	6,249,871	6,249,871	6,249,871
Treasury shares	29	(345,819)	(345,819)	-	-
Other reserves		2,034,585	(14,662)	2,146,265	97,018
Retained earnings		28,780,755	27,207,214	5,073,306	4,274,614
Equity attributable to owners of the parent		57,043,388	53,420,600	33,793,438	30,945,499
Non controlling interest	30	35,618,286	33,027,997	-	-
Total equity		92,661,674	86,448,597	33,793,438	30,945,499
Net equity and liabilities		264,301,271	232,160,731	59,988,956	57,913,703

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

The unaudited condensed consolidated financial statements on pages 1 to 23 were approved and authorised for issue by the Board of Directors on 19 July 2017 and were signed on its behalf by

Hale

Ibikunle Oriola
Group Chief Finance Officer
FRC/2013/ICAN/00000004372

Adim Jibunoh

Adim Jibunoh
President/Chief Executive Officer
FRC/2014/IODN/00000008267

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

	Note	Group		Company	
		30 June 2017	30 June 2016	30 June 2017	30 June 2016
		N'000	N'000	N'000	N'000
Revenue	21	34,173,862	24,779,501	2,055,462	1,248,916
Cost of sales	22	(19,300,002)	(13,321,658)	-	-
Gross profit		14,873,860	11,457,843	2,055,462	1,248,916
Administrative expenses	25	(5,663,593)	(5,268,198)	(827,465)	(812,837)
Other income	23	305,965	240,788	595,548	347,367
Other gains - net	24	4,660	-372,020	-	21,502
Operating profit		9,520,892	6,058,413	1,823,545	804,948
Finance income	26	434,643	559,991	719,268	710,533
Finance cost	26	(4,701,472)	(3,941,192)	(1,538,575)	(1,450,160)
Foreign exchange loss on financing activities	27	(721,707)	(13,886,973)	-	-
Finance cost -net		(4,988,536)	(17,268,174)	(819,307)	(739,627)
Profit before taxation		4,532,356	(11,209,761)	1,004,238	65,321
Taxation	16	-368,526	-981,105	(205,546)	(124,892)
Profit for the period		4,163,830	-12,190,866	798,692	-59,571
Profit attributable to:					
Owners of the parent		1,573,541	-6,411,440	798,692	-59,571
Non controlling interest		2,590,289	-5,779,426	-	-
Other comprehensive income					
<i>Items that may be reclassified to profit or loss:</i>					
Changes in the fair value of available-for-sale (equity securities)	24	2,055,777	692,042	2,055,777	692,042
Total comprehensive income for the period		6,219,607	-11,498,824	2,854,469	632,471
Attributable to:					
Owners of the parent		3,629,318	(5,719,398)	2,854,469	632,471
Non controlling interest		2,590,289	-5,779,426	-	-
Basic EPS (kobo)	28	3.87	(16.56)	1.96	15.00
Diluted EPS (kobo)	28	3.87	(16.56)	1.96	15.00

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

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

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

Group	Attributable to owners of the parent						Total Controlling interest N'000	Non Controlling interest N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Treasury shares N'000	Other reserves N'000	Retained earnings N'000				
Balance at 1 January 2016	19,360,499	7,213,368	(345,819)	-587,547	28,138,355	53,778,856	33,726,375	87,505,231	
Profit for the period	-	-	-	-	454,433	454,433	751,378	1,205,811	
Other comprehensive income	-	-	-	(108,328)	-	-108,328	-	(108,328)	
Balance at 30 June 2016	19,360,499	7,213,368	(345,819)	(695,875)	28,592,788	54,124,961	34,477,753	88,602,714	
Balance at 1 January 2017	20,323,996	6,249,871	(345,819)	(14,662)	27,207,214	53,420,600	33,027,997	86,448,597	
Profit for the period	-	-	-	-	1,573,541	1,573,541	2,590,289	4,163,830	
Reclassification to profit or loss	-	-	-	(6,530)	-	(6,530)	-	-6,530	
Other comprehensive income	-	-	-	2,055,777	-	2,055,777	-	2,055,777	
Balance at 30 June 2017	20,323,996	6,249,871	(345,819)	2,034,585	28,780,755	57,043,388	35,618,286	92,661,674	
31 December 2016	Share capital N'000	Share premium N'000	Treasury shares N'000	Other reserves N'000	Retained earnings N'000	Controlling interest N'000	Controlling interest N'000	N'000	
Balance at 1 January 2016	19,360,499	7,213,368	(345,819)	(587,547)	28,138,355	53,778,856	33,726,375	87,505,231	
Loss for the year	-	-	-	-	(931,141)	(931,141)	(195,857)	(1,126,998)	
Bonus issue	963,497	(963,497)	-	-	-	-	-	-	
Dividend paid to non-controlling interest	-	-	-	-	-	-	(502,521)	(502,521)	
Reclassification to profit or loss	-	-	-	25,406	-	25,406	-	25,406	
Other comprehensive income	-	-	-	547,479	-	547,479	-	547,479	
Balance at 31 December 2016	20,323,996	6,249,871	(345,819)	(14,662)	27,207,214	53,420,600	33,027,997	86,448,597	

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

Company	Attributable to owners of the parent			Retained earnings N'000	Total equity N'000
	Share capital N'000	Share premium N'000	Other reserves N'000		
Balance at 1 January 2016	19,360,499	7,213,368	(475,867)	5,123,707	31,221,707
Profit for the period	-	-	-	274,388	274,388
Other comprehensive income	-	-	(108,328)	-	(108,328)
Balance at 30 June 2016	19,360,499	7,213,368	(584,195)	5,398,095	31,387,767
Balance at 1 January 2017	20,323,996	6,249,871	97,018	4,274,614	30,945,499
Profit for the year	-	-	-	798,692	798,692
Reclassification to profit or loss	-	-	(6,530)	-	(6,530)
Other comprehensive income	-	-	2,055,777	-	2,055,777
Balance at 30 June 2017	20,323,996	6,249,871	2,146,265	5,073,306	33,793,438

31 December 2016	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total equity N'000
Balance at 1 January 2016	19,360,499	7,213,368	(475,867)	5,123,707	31,221,707
Bonus issue	963,497	(963,497)	-	-	-
Loss for the year	-	-	-	(849,093)	(849,093)
Reclassification to profit or loss	-	-	25,406	-	25,406
Other comprehensive income	-	-	547,479	-	547,479
Balance at 31 December 2016	20,323,996	6,249,871	97,018	4,274,614	30,945,499

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

Transnational Corporation of Nigeria Plc
Statement of Cash Flows
For the Period Ended 30 June 2017

		Group		Company	
	Note	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Cash flows from operating activities					
Cash generated from/(used in) operations	31	11,173,752	8,888,382	(561,637)	(1,307,324)
Tax paid		(140,359)	(1,743,298)	(140,359)	(161,023)
Net cash flows generated from/(used in) operating activities		11,033,393	7,145,084	(701,996)	(1,468,347)
Cash flows from investing activities					
Interest received	26	434,643	559,991	719,268	710,533
Purchase of intangible assets	6	-	(516)	-	-
Liquidation of debt and equity securities		35,563	99,569	35,563	99,569
Purchase of property, plant and equipment	5	(14,408,130)	(8,701,454)	-	-
Net cash flows (used in)/generated from investing activities		(13,937,924)	(8,042,410)	754,831	810,102
Cash flows from financing activities					
Net movement in borrowings		7,092,547	13,051,670	1,485,449	2,164,075
Interest payment	26	(4,701,472)	(3,941,192)	(1,538,575)	(1,450,160)
Net cash flows (used in)/generated from financing activities		2,391,075	9,110,478	(53,126)	713,915
Net (decrease)/increase in cash and cash equivalents		(513,456)	8,213,152	(291)	55,670
Cash and cash equivalents at the beginning of the period	14	2,361,320	14,419,520	5,026	10,686
Foreign exchange loss/(gain) on cash and cash equivalents		721,707	(14,258,993)	-	-
Cash and cash equivalents at the end of the period	15	2,569,571	8,373,679	4,735	66,356

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

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2017

1. General information

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

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

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2016.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

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

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

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

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2017

3 Fair value estimation

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

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

Assets	At 31 June 2017			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income				
Equity securities at fair value through OCI	4,228,157	-	-	4,228,157

Assets	At 31 December 2016			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Equity securities at fair value through profit or loss	2,207,943	-	-	2,207,943

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

(a) Financial instruments in level 1

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

4 Segment analysis

The Group

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

i Hospitality

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

ii Agro-allied

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

iii Power

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

iv Oil & Gas

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

v Corporate Centre

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

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

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

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

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2017

As at 31 June 2017	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	6,199,850	-	-	27,974,012	2,055,462	(2,055,462)	34,173,862
Finance income	148,332	-	-	9	719,268	(432,966)	434,643
Finance cost	-	-	-	4,317,570	1,538,575	(432,966)	5,423,179
Depreciation and amortisation	514,507	-	-	1,153,331	5,512	-	1,673,350
Profit/(loss) before taxation	1,067,437	-	-	4,882,313	1,004,238	(2,421,632)	4,532,356
Taxation	162,980	-	-	-	205,546	-	368,526
Segmental assets	92,302,728	3,715,189	367,114	137,737,202	59,988,959	(29,809,921)	264,301,271
Segmental liabilities	36,700,056	4,488,913	1,587,398	119,424,687	26,195,518	(16,756,975)	171,639,597
Net assets	55,602,672	(773,724)	(1,220,284)	18,312,515	33,793,441	(13,052,946)	92,661,674

As at 30 June 2016

	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	7,607,634	-	15,791	17,156,076	1,248,916	(1,248,916)	24,779,501
Finance income	-	-	-	-	-	-	-
Finance cost	328,878	-	-	-	710,533	(479,420)	559,991
Depreciation and amortisation	-	(479,420)	(17,132)	(16,950,879)	(1,450,160)	1,069,426	(17,828,165)
Profit/(loss) before taxation	(480,507)	-	(9,429)	(1,081,080)	(8,056)	-	(1,579,072)
Taxation	2,745,956	(479,420)	(89,493)	(12,203,208)	65,321	(1,248,916)	(11,209,761)
Taxation	(856,213)	-	-	-	(124,892)	-	(981,105)
Segmental assets	87,846,361	6,761,136	416,912	95,001,351	54,937,699	(12,802,728)	232,160,731
Segmental liabilities	32,325,299	7,557,388	1,540,534	91,959,878	23,382,317	(11,053,282)	145,712,134
Net assets	55,521,062	(796,252)	(1,123,622)	3,041,473	31,555,382	(1,749,446)	86,448,597

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

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

	30 June 2017 N'000	30 June 2016 N'000
Revenue		
Total revenue for reportable segments	36,229,324	26,028,417
Elimination of inter-segment revenue (i)	(2,055,462)	(1,248,916)
External revenue	34,173,862	24,779,501
Profit or loss		
Total (loss) or profit for reportable segments	6,953,988	(9,960,845)
Elimination of inter-segment profits (ii)	(2,421,632)	(1,248,916)
Consolidated (loss) or profit before taxation	4,532,356	(11,209,761)
Assets		
Total assets of reportable segments	294,111,192	268,280,462
Consolidation eliminations (iii)	(29,809,921)	(36,119,731)
Consolidated total assets	264,301,271	232,160,731
Liabilities		
Total liabilities of reportable segments	156,765,416	146,159,117
Consolidation eliminations (iv)	14,874,181	(446,983)
Consolidated total liabilities	171,639,597	145,712,134

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

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2017

4 Segment analysis (continued)

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

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

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

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

Entity-wide information

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

Analysis of revenue by category:	30 June	30 June
	2017	2016
	N'000	N'000
Rooms	3,817,833	4,938,592
Food and beverage	1,723,778	1,999,687
Shop rental	316,419	338,421
Service charge	60,009	7,348
Other operating revenue	281,811	323,586
Juice concentrate	-	15,791
Capacity charge	9,859,584	5,918,740
Energy sent out	18,025,628	11,117,862
Ancillary services	88,800	119,474
Total	34,173,862	24,779,501

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

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

5 Property, plant and equipment (PP&E)

Group	Land	Building & improvements	Plant & machinery	Furniture & fittings	Computer & office equipments	Motor vehicles	Capital work in progress	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2016	35,400,258	17,235,252	50,992,918	2,844,500	61,484	702,524	15,856,369	123,093,305
Additions	188,487	371,502	1,170,987	233,565	64,177	10,701	16,021,900	18,061,319
Reclassification	-	-	39,695	106,847	-	-	(146,542)	-
Disposals	-	-	(2,172)	-	(2,111)	(24,970)	-	(29,253)
Balance as at 31 December 2016	35,588,745	17,606,754	52,201,428	3,184,912	123,550	688,255	31,731,727	141,125,371
Balance as at 1 January 2017	35,588,745	17,606,754	52,201,428	3,184,912	123,550	688,255	31,731,727	141,125,371
Additions	-	28,578	8,005,951	21,728	88,526	17,300	6,246,046	14,408,130
Reclassification	-	-	-	-	-	-	(2,840,004)	(2,840,004)
Disposals	-	-	-	(305)	-	(40,554)	-	(40,858)
Balance as at 30 June 2017	35,588,745	17,635,332	60,207,379	3,206,335	212,076	665,001	35,137,769	152,652,639
Depreciation and impairment losses								
Balance as at 1 January 2016	-	1,846,480	9,134,877	2,007,772	22,117	321,029	-	13,332,275
Depreciation	-	413,720	2,342,344	256,548	29,023	109,697	-	3,151,332
Disposals	-	-	(1,312)	-	(405)	(17,080)	-	(18,797)
Balance as at 31 December 2016	-	2,260,200	11,475,909	2,264,320	50,735	413,646	-	16,464,810
Balance as at 1 January 2017	-	2,260,200	11,475,909	2,264,320	50,735	413,646	-	16,464,810
Depreciation	-	205,776	1,269,189	22,508	124,947	41,644	-	1,664,064
Disposals	-	-	-	(51)	-	(17,559)	-	(17,610)
Balance as at 30 June 2017	-	2,465,976	12,745,098	2,286,777	175,682	437,731	-	18,111,265
Net book value								
At 31 December 2016	35,588,745	15,346,554	40,725,519	920,592	72,815	274,609	31,731,727	124,660,561
At 30 June 2017	35,588,745	15,169,356	47,462,281	919,558	36,394	227,271	35,137,769	134,541,374

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5 Property, plant and equipment (continued)

Company	Building & improvements	Plant & Machinery	Furniture & fittings	Computer & office equipments	Motor vehicles	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000
Balance as at 1 January 2016	28,294	4,618	29,608	27,008	13,975	103,503
Additions	568	-	-	280	-	848
Disposals	-	-	-	-	(6,000)	(6,000)
Balance as at 31 December 2016	28,862	4,618	29,608	27,288	7,975	98,351
Balance as at 1 January 2017	28,862	4,618	29,608	27,288	7,975	98,351
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Balance as at 30 June 2017	28,862	4,618	29,608	27,288	7,975	98,351
Depreciation and impairment losses						
Balance as at 1 January 2016	19,082	1,124	15,339	21,751	11,192	68,488
Depreciation for the year	5,540	672	4,008	2,549	1,035	13,804
Disposals	-	-	-	-	(5,191)	(5,191)
Balance as at 31 December 2016	24,622	1,796	19,347	24,300	7,036	77,101
Balance as at 1 January 2017	24,622	1,796	19,347	24,300	7,036	77,101
Depreciation for the year	2,401	336	2,264	89	279	5,370
Disposals	-	-	-	-	-	-
Balance as at 30 June 2017	27,023	2,132	21,611	24,389	7,315	82,471
Net book value						
At 31 December 2016	4,240	2,822	10,261	2,988	939	21,250
At 30 June 2017	1,839	2,486	7,997	2,899	660	15,880

Depreciation is allocated as follows;

Cost of sales
Administrative expenses

Group	
2017	2016
N'000	N'000
1,140,420	1,064,922
523,645	507,494
1,664,065	1,572,416

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

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For the Period Ended 30 June 2017

6 Intangible assets	Group					Company		
	Goodwill N'000	Computer software N'000	Oil Prospecting License N'000	Exploration and evaluation expenditure N'000	Total N'000	Computer software N'000	Oil Prospecting License N'000	Total N'000
Cost								
At 1 January 2016	30,934,143	145,040	5,075,818	2,818,412	38,973,413	12,966	5,075,818	5,088,784
Addition	-	65,206	-	24,686	89,892	-	-	-
As at 31 December 2016	30,934,143	210,246	5,075,818	2,843,098	39,063,305	12,966	5,075,818	5,088,784
At 1 January 2017	30,934,143	210,246	5,075,818	2,843,098	39,063,305	12,966	5,075,818	5,088,784
Addition	-	-	-	-	-	-	-	-
Disposal	-	(732)	-	-	(732)	-	-	-
As at 30 June 2017	30,934,143	209,514	5,075,818	2,843,098	39,062,573	12,966	5,075,818	5,088,784
Accumulated amortisation								
At 1 January 2016	-	86,663	-	-	86,663	12,399	-	12,399
Amortisation charge	-	24,673	-	-	24,673	283	-	283
As at 31 December 2016	-	111,336	-	-	111,336	12,682	-	12,682
At 1 January 2017	-	111,336	-	-	111,336	12,682	-	12,682
Amortisation charge (Note 25)	-	9,286	-	-	9,286	142	-	142
As at 30 June 2017	-	120,622	-	-	120,622	12,824	-	12,824
Net book value								
At 31 December 2016	30,934,143	98,910	5,075,818	2,843,098	38,951,969	284	5,075,818	5,076,102
At 30 June 2017	30,934,143	88,892	5,075,818	2,843,098	38,941,951	142	5,075,818	5,075,960

Goodwill is not amortised but tested for impairment annually.

The remaining amortisation period for computer software cost is between 3 to 6 years.

The Production Sharing Contract between Transcorp and the Nigerian National Petroleum Corporation was signed by the Federal Government of Nigeria on 2 May 2014. Per the agreement, the exploration period is for 5 years after which the OPL converts to an Oil Mining License for a period of 20 years. Amortisation of the OPL cost will commence when it has been determined that commercial quantity of crude can be produced from the oil field and mining commences.

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Notes to the Financial Statements
For the Period Ended 30 June 2017

6 Intangible assets (continued)

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

Goodwill has been allocated to the following Cash Generating Units (CGUs)	30 June	31 December
	2017	2016
	N'000	N'000
Transcorp Hotels Calabar Limited (THC)	863,163	863,163
Transcorp Hotels Plc (THP)	20,369,790	20,369,790
Transcorp Power Limited (TPL)	9,701,190	9,701,190
	30,934,143	30,934,143

Goodwill arose from the excess of the consideration over acquisition-date fair values of identifiable assets and liabilities of subsidiaries acquired. The goodwill amount relates to pre-existing goodwill from previous business combinations.

7 Investment property

Non-current assets - at fair value

	Group		Company	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
	N'000	N'000	N'000	N'000
At 1 January	1,706,600	1,706,600	1,706,600	1,706,600
Additions	-	-	-	-
Fair value gain on investment property	-	-	-	-
Transfer to property, plant and equipment	-	-	-	-
Fair value loss on investment properties	-	-	-	-
At 30 June	1,706,600	1,706,600	1,706,600	1,706,600

Investment property at 31 March 2017 relates to a piece of land at Rumens Road Ikoyi measuring approximately 4,876.15 square meters. An independent valuation of the Company's land was performed by Ubosi Eleh and Co to determine the fair value of the land as at 31 December 2016.

The title to this property was revoked in a Newspaper publication dated 29 May 2015 by a revocation order of the Minister of Lands, Housing & Urban Development (The Ministry).

A suit has been filed at Federal High Court challenging the legality of the revocation. An interim Order of injunction was obtained restraining Minister of Lands, Housing & Urban Development from giving effect to the revocation order (FHC/L/CS/794/2015 TNC V AG FEDERATION & MINISTER OF LANDS). The court subsequently struck out the suit while ruling on a preliminary objection challenging its jurisdiction.

The company filed a notice of appeal against the ruling of the Federal High Court and an application for stay of proceedings both at the Court of Appeal and the Federal High Court. The Federal High Court granted the Company's application and stayed proceedings in the suit pending the determination of the appeal.

As at the date of the approval of these financial statements, the directors, based on representation from their legal advisers expects that there is no likelihood of unfavourable outcome in the suit.

The Company has agreed terms of settlement with the Ministry and this will be subsequently filed in court to resolve this issue.

The table below analyses the non-financial assets carried at fair value, by valuation method. The current market prices of the land were used to determine the fair value as at these dates.

Fair value is measured through the following:

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

Recurring fair value measurements

Land

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

Fair value measurements at 30 June 2017 using (N'000)		
Level 1	Level 2	Level 3
-	1,706,600	-

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Notes to the Financial Statements

For the Period Ended 30 June 2017

7 Investment property (continued)

Valuation techniques used to derive level 2 fair values

Level 2 fair values of land have been derived using the sales comparison approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

8 Investment in subsidiaries

	Company	
	30 June 2017	31 December 2016
	N'000	N'000
Transcorp Hotels Plc	19,618,523	19,618,523
Transcorp Power Limited	7,860,464	7,860,464
Other subsidiaries companies	50,900	50,900
	<u>27,529,887</u>	<u>27,529,887</u>

Movement in investment in subsidiaries is analysed as follows:

	Company	
	30 June 2017	31 December 2016
	N'000	N'000
At 1 January	27,529,887	27,549,287
Liquidation of subsidiaries	-	-19,400
At 31 March	<u>27,529,887</u>	<u>27,529,887</u>

	Company	
	30 June 2017	31 December 2016
	N'000	N'000
Investments in subsidiary companies eliminated on consolidation is shown below:		
Transnational Corporation investment in subsidiary:		
Transcorp Hotels Plc (THP)	19,618,523	19,618,523
Transcorp Properties Limited	10,000	10,000
Transcorp Power Limited	7,860,464	7,860,464
Transcorp OPL 281 Limited	500	500
Transcorp Energy Limited	9,900	9,900
Teragro Commodities Limited	9,500	9,500
Transcorp Refining Company Limited	1,000	1,000
Transcorp Trading and Logistics Limited	10,000	10,000
Transcorp Telecomms Limited	10,000	10,000
	<u>27,529,887</u>	<u>27,529,887</u>

THP investment in subsidiary:

Transcorp Hotels Calabar Limited	3,508,621	3,508,621
Transcorp Hotels Port Harcourt Limited	20,000	20,000
Transcorp Hotels Ikoyi Limited	1,160	1,160
	<u>3,529,781</u>	<u>3,529,781</u>

Transcorp Refining Company Limited, Transcorp Telecomms Limited, Transcorp Trading and Logistics Limited are dormant and are undergoing winding up proceedings. The subsidiaries to be wound up have no assets, liabilities, income or expenses as these subsidiaries were incorporated but no further activities were performed. Hence, there are no assets held for sale and no income or expenses from discontinued operations.

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Notes to the Financial Statements

For the Period Ended 30 June 2017

9 Deferred tax

Group	
30 June 2017	31 December 2016
N'000	N'000
The balance of Deferred tax assets/ (Liabilities) as at 30 June 2017 is as follows:	
Deferred tax assets	3,356,550
Deferred tax liabilities	(7,158,798)
	(3,802,248)
Deferred tax	
Accelerated tax depreciation	(8,405,601)
Fair value on revaluation	(2,774,698)
Unrealised FX losses	7,367,850
Tax losses carried forward	10,201
	(3,802,248)

Deferred tax

Accelerated tax depreciation

Fair value on revaluation

Unrealised FX losses

Tax losses carried forward

	Accelerated tax depreciation N'000	Fair value on revaluation N'000	Unrealised FX losses N'000	Tax losses carried forward N'000	Total N'000
At 1 January 2016	8,919,550	2,774,698	(1,097,940)	(100,613)	10,495,695
Credited to the income statement	(513,949)	-	(6,269,910)	90,412	(6,693,447)
At 31 December 2016	8,405,601	2,774,698	(7,367,850)	-10,201	3,802,248
At 1 January 2017	8,405,601	2,774,698	(7,367,850)	-10,201	3,802,248
Credited to income statement	-	-	-	-	-
At 30 June 2017	8,405,601	2,774,698	(7,367,850)	(10,201)	3,802,248

10 Prepaid lease rental

Group	
30 June 2017	31 December 2016
N'000	N'000
At 1 January	88,704
Addition	-
Utilisation	(15,000)
At 31 December	73,704
Less: minimum lease payments for the next 12 months	(30,000)
Non current lease payments	43,704
Non current lease payments has been analysed as follows:	
Due between 1 to 5 years	43,704

11 Inventories

Group	
30 June 2017	31 December 2016
N'000	N'000
Food and beverage	224,956
Fuel/lubricant	119,275
Spares	4,445,727
Guest supplies	114,021
Finished goods	-
Packaging materials	8,752
Other sundry stock	9,771
	4,922,502
	4,722,545

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2017

12 Trade and other receivables	Group		Company	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	N'000	N'000	N'000	N'000
Trade receivables	68,751,410	48,931,779	-	-
Less: provision for impairment (a)	(857,955)	(778,288)	-	-
Trade receivables - net	67,893,455	48,153,491	-	-
Other receivables	4,355,073	4,425,799	2,827,025	3,468,640
Prepayments	747,458	521,929	155,457	67,378
Due from related companies	964,876	1,003,320	18,445,254	15,546,760
Dividend receivable	-	-	-	2,284,117
	73,960,862	54,104,539	21,427,736	21,366,895

a Provision for impairment of trade receivables

Group	
30 June 2017	31 December 2016
N'000	N'000
Balance at 1 January	778,288
Impairment losses recognised on receivables	79,667
Balance at 30 June	857,955
	778,288

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

13 Debt and equity securities

Group and Company	
30 June 2017	31 December 2016
N'000	N'000
Equity securities at fair value through OCI	2,207,943
	4,228,157
	2,207,943

See movement in debt and equity securities below:

	2017		2016	
	Equity securities	Fixed income investment	Equity securities	Fixed income investment
	N'000	N'000	N'000	N'000
At 1 January	2,207,943	-	1,764,937	358,887
Fair value gain/(loss)	2,055,777	-	547,479	-
Liquidation	(35,563)	-	(104,473)	(18,519)
Impairment	-	-	-	(340,368)
At 30 June	4,228,157	-	2,207,943	-

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Notes to the Financial Statements

For the Period Ended 30 June 2017

14 Cash and cash equivalents	Group		Company	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	N'000	N'000	N'000	N'000
Cash and bank balance	2,569,571	2,361,320	4,736	5,026

Included in cash and bank balance for the Group is balance held at First Bank of Nigeria Plc of N210 million which is restricted due to a current court lien placed on it since May 2012 as a result of an existing court case between Lagos State Government and defunct Power Holding Company of Nigeria (PHCN).

15 Trade and other payables	Group		Company	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	N'000	N'000	N'000	N'000
Trade creditors	37,710,875	26,820,960	-	-
Accruals and other liabilities	9,667,569	3,954,729	278,620	224,028
Unearned income	45,998	41,379	-	-
Deposit from guests	122,698	126,573	-	-
VAT payable	136,812	55,618	82,540	-
Dividend payable	-	524,215	-	-
Due to related companies	90	63,002	3,199,343	5,454,253
	47,684,042	31,586,476	3,560,503	5,678,281

16 Taxation	Group		Company	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	N'000	N'000	N'000	N'000
Income tax	152,794	802,700	-	-
Education tax	10,186	53,513	-	-
	162,980	856,213	-	-
Tax on franked investment income	205,546	124,892	205,546	124,892
Deferred tax (Note 10)	-	-	-	-
	368,526	981,105	205,546	124,892

The movement in tax payable is as follows:

	Group		Company	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	N'000	N'000	N'000	N'000
At 1 January	4,137,597	5,695,106	196,580	202,198
Provision for the year	162,980	1,645,069	-	155,405
Payment during the year	(140,359)	(3,202,578)	(140,359)	(161,023)
At 30 June	4,160,218	4,137,597	56,221	196,580

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Notes to the Financial Statements

For the Period Ended 30 June 2017

17 Borrowings

	Group		Company	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Falling due within a year	N'000	N'000	N'000	N'000
Bank borrowings	7,469,879	19,483,819	5,309,039	10,987,060
Unsecured bond	6,116,876	6,116,876	-	-
	<u>13,586,755</u>	<u>25,600,695</u>	<u>5,309,039</u>	<u>10,987,060</u>
Falling due after one year				
Bank borrowings	77,478,208	58,371,720	15,394,755	8,231,283
Unsecured bond	14,571,848	14,571,848	-	-
	<u>92,050,056</u>	<u>72,943,568</u>	<u>15,394,755</u>	<u>8,231,283</u>
Total	105,636,811	98,544,263	20,703,794	19,218,343

18 Other Payables

Other payables of N2.71 billion relates to the portion of outstanding payment for refurbishment of GT 15, payable beyond 12 months.

19 Deposit for shares

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

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

20 Advance deposits

	Group & company	
	30 June 2017	31 December 2016
	N'000	N'000
Sacoil / Equity, Energy and Resource (EER) farm-in fees	1,875,000	1,875,000

Advance deposits of N1.875 billion relates to an advance payment of \$12.5million received from EER/Sacoil as farm-in fees for Oil Prospecting License 281 (OPL 281).

The Production Sharing Contract (PSC) with NNPC was signed on 2 May 2014. The farm-in process has not been completed. In 2015, Sacoil indicated its intention to discontinue its interest in the OPL 281 and has served the Company with a notice to refund its farm-in fees with accrued interest totaling \$19 million. The Company is currently contesting this refund request in court and there is a counter claim in this respect.

21 Revenue

	Group		Company	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	N'000	N'000	N'000	N'000
The group derives the following types of revenue:				
Rooms	3,817,833	4,938,592	-	-
Food and beverage	1,723,778	1,999,687	-	-
Shop rental	316,419	338,421	-	-
Service charge	60,009	7,348	-	-
Other operating revenue	281,811	323,586	-	-
Juice concentrate	-	15,791	-	-
Dividend income	-	-	2,055,462	1,248,916
Capacity charge	9,859,584	5,918,740	-	-
Energy sent out	18,025,628	11,117,862	-	-
Ancillary services	88,800	119,474	-	-
	<u>34,173,862</u>	<u>24,779,501</u>	<u>2,055,462</u>	<u>1,248,916</u>

All recognised revenue were generated in Nigeria.

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements For the Period Ended 30 June 2017

22 Cost of sales

	Group	
	30 June 2017 N'000	30 June 2016 N'000
Rooms	289,494	11,972
Staff costs	1,108,885	1,675,093
Food and beverage	686,194	568,037
Natural gas and fuel costs	15,189,519	8,738,746
Direct materials	-	2,469
Other direct expenses	262,555	264,349
Repairs and maintenance	508,171	886,174
Depreciation	1,140,420	1,064,922
Insurance	99,014	97,206
Other operating departments	15,750	12,690
	<u>19,300,002</u>	<u>13,321,658</u>

23 Other income

	Group		Company	
	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Dividend income on equity securities	238,853	202,152	238,853	202,152
Management fees from subsidiaries	-	-	175,000	136,856
Profit on disposal of equity investment	-	-	-	-
Profit/ (loss) on fixed asset disposal	-	2,627	23	-
Other income	67,112	36,009	181,672	8,359
	<u>305,965</u>	<u>240,788</u>	<u>595,548</u>	<u>347,367</u>

24 Other gains/(losses) - net

	Group		Company	
	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Included in profit or loss				
Fair value gain on equity securities	-	-	-	21,502
Loss on sale of investment	-	-	-	-
Foreign exchange gain/(loss)	4,660	(372,020)	-	-
	<u>4,660</u>	<u>(372,020)</u>	<u>-</u>	<u>21,502</u>
Included in other comprehensive income				
Fair value gain/(loss) on equity securities	2,055,777	692,042	2,055,777	692,042

25 Administrative and general expenses

	Group		Company	
	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Staff costs	939,574	957,889	164,042	179,381
Depreciation	523,644	507,494	5,370	7,829
Amortisation	9,286	6,656	142	227
Auditors' remuneration	37,303	45,295	17,500	22,333
Management and incentive fees	927,149	695,690	-	194,444
Professional fees	287,574	106,771	228,994	46,569
Director's remuneration	119,219	151,974	48,482	48,177
Rent and rates	30,000	30,512	15,000	15,000
Loss on asset disposal	23,248	984	0	984
Repairs and maintenance	254,023	247,372	2,688	2,936
Advertising	3,568	14,598	3,568	3,783
Group service benefits	115,687	270,636	-	-
Insurance	1,003	5,701	973	4,786
Electricity and diesel cost	652,304	542,352	8,611	5,063
Travel and accommodation	66,631	149,195	40,108	56,520
Licenses and fees	16,979	18,002	16,979	17,977
Marketing and promotion	119,627	153,562	-	-
Bank charges	130,926	60,681	7,217	389
Impairment of Teragro loans	-	-	-	170,084
Provision for bad debts	90,000	-	-	-
Other operating expenses	1,315,848	1,302,834	267,791	36,355
	<u>5,663,593</u>	<u>5,268,198</u>	<u>827,465</u>	<u>812,837</u>

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

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Notes to the Financial Statements For the Period Ended 30 June 2017

26 Finance costs and income

	Group		Company	
	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Finance costs:				
Interest expense on loans	4,701,472	3,941,192	1,538,575	1,450,160
Foreign exchange loss on borrowings	721,707	13,886,973	-	-
Interest expense on loans	5,423,179	17,828,165	1,538,575	1,450,160
Finance income:				
Interest on loan	434,643	559,991	719,268	710,533
Interest on bank deposits	-	-	-	-
Interest to unwind discounted receivable	-	-	-	-
	434,643	559,991	719,268	710,533
Net finance costs	4,988,536	17,268,174	819,307	739,627

27 Net foreign exchange losses

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

	Group		Company	
	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Foreign exchange loss on borrowings	721,707	13,886,973	-	-

28 Earnings per share

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

	Group		Company	
	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Profit attributable to shareholders	1,573,541	(6,411,440)	798,692	(59,571)
Weighted average number of ordinary shares in issue	40,647,991	38,720,997	40,647,991	38,720,997
Basic earnings per share (Kobo)	3.87	(16.56)	1.96	(0.15)
Diluted earnings per share (Kobo)	3.87	(16.56)	1.96	(0.15)

29 Share capital

a Authorised:

	Group		Company	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
45,000,000,000 ordinary shares of 50kobo each	22,500,000	22,500,000	22,500,000	22,500,000

Allotted, called up and fully paid:

	Group and Company		
	Number of shares (thousands)	Ordinary shares N'000	Total N'000
At 1 January 2017	40,647,991	20,323,996	20,323,996
Bonus issue	-	-	-
At 30 June 2017	40,647,991	20,323,996	20,323,996

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b Share premium

Group and Company	
30 June 2017 N'000	31 December 2016 N'000
At 1 January	6,249,871
Bonus issue	-
At 30 June	6,249,871

c Treasury shares

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

30 Non controlling interest

	Transcorp Hotels Plc (THP) N'000	Transcorp Power Limited (TPL) N'000	Transcorp Hotels Ikoyi Limited N'000	Group N'000
At 1 January 2017	26,534,250	6,492,907	840	33,027,997
THP profit for the period	149,502	-	-	149,502
TPL profit for the period	-	2,440,787	-	2,440,787
At 31 December 2016	26,683,752	8,933,694	840	35,618,286

31 Cash generated from operating activities

	Group		Company	
	30 June 2017 N'000	30 June 2016 N'000	30 June 2017 N'000	30 June 2016 N'000
Profit /(Loss) before tax	4,532,356	(11,209,761)	1,004,238	65,321
Adjustment for:				
Depreciation of PP&E (Note 6)	1,664,065	1,572,416	5,370	7,829
Loss on disposal of PP&E	23,248	-	-	-
Loss on disposal of intangible asset	-	-	-	-
Amortization of intangible assets	9,286	6,656	142	227
Impairment of fixed income investment	-	170,084	-	170,084
Other comprehensive income	(6,530)	(33,064)	(6,530)	(33,064)
Finance cost (Note 26)	5,423,179	17,828,165	1,538,575	1,450,160
Finance income (Note 26)	(434,643)	(559,991)	(719,268)	(710,533)
Foreign exchange loss/ (gain)	721,707	372,020	-	-
Changes in working capital:				
Increase in trade, other receivables and prepayment	(16,656,525)	(5,438,592)	(60,841)	2,562,878
Increase in inventories	(199,957)	134,529	-	-
Increase/(decrease) in trade and other payables	16,097,566	6,045,920	(2,323,324)	(4,820,226)
Net cash generated from/(used in) operations	11,173,752	8,888,382	(561,637)	-1,307,324

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32 Contingent liabilities

Apart from the case mentioned in note 20, there were no other material litigations in the ordinary course of business as at the balance sheet date. The directors are of the opinion that all known liabilities which are relevant in assessing the state of affairs of the Company have been taken into consideration in the preparation of these financial statements.

33 Subsequent events

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

34 Related parties

a Related entities

Heirs Holding Limited

Heirs Holding Limited is a company controlled by the group's key management personnel. Transcorp entered into a technical services agreement with Heirs Holding Limited for the latter's provision of corporate and financial advisory services, governance support, brand and communications services and business development support.

A technical services agreement was also entered into between Transcorp Power Limited and Heirs Holdings Limited.

Tony Elumelu Foundation

Tony Elumelu Foundation is a company controlled by the group's key management personnel. The Foundation carries out various Corporate Social Responsibility (CSR) activities on behalf of Transcorp Power Limited.

Tenoil Petroleum and Energy Services

Tenoil Petroleum and Energy Services is a company controlled by the group's key management personnel. Tenoil disposed part of its interest in Transcorp Power Limited (TPL) to Transcorp Plc. Consideration for the disposal was used to reduce amount receivable from the counter-party as at date of disposal. The outstanding receivable balance as at balance sheet date is deemed recoverable.

Nembe Creek Oil Company Limited

Nembe Creek Oil Company Limited is a company controlled by the group's key management personnel.

Other subsidiaries

The Company enter into a Technical and Management services agreement with Transcorp Hotels Plc and Transcorp Power Limited. As stipulated in the signed agreement, the Company earns management fee of higher of N350 million or 5% of profit before tax of Transcorp Hotels Plc and Transcorp Power Limited.

Other intercompany balances relates to payment made or received on behalf of the company's subsidiaries.

b Key management personnel

Name	Designation	Name	Designation
Mr. Tony Elumelu, MFR	Chairman	Mr. Stanley Inye Lawson	Director
Mr. Adim Jibunoh	President/CEO	Mr. Kayode Fasola	Director
Olorogun O'tega Emerhor, OON	Director	Alhaji Abdulquadir Jeli Bello	Director
Mr. Emmanuel N. Nnorom	Director		