



**Transnational Corporation of Nigeria Plc
Unaudited Condensed Consolidated Financial Statements
For the Period Ended 30 June 2020**

Transnational Corporation of Nigeria Plc
Statement of Profit or Loss and Other Comprehensive Income
For the Period Ended 30 June 2020

	Note	Group		Company	
		30 June 2020 N'000	30 June 2019 N'000	30 June 2020 N'000	30 June 2019 N'000
Revenue	19	34,956,150	37,762,355	1,363,575	1,691,921
Cost of sales	20	(20,255,925)	(20,482,430)	-	-
Gross profit		14,700,225	17,279,925	1,363,575	1,691,921
Administrative expenses	23	(6,245,768)	(6,532,376)	(685,470)	(909,646)
Other income	21	1,063,170	373,822	1,000,665	642,270
Other gains/(losses) - net	22	-	46,190	-	-
Operating profit		9,517,627	11,167,561	1,678,770	1,424,545
Finance cost - Net	24	(7,964,102)	(6,459,334)	(995,040)	(1,055,855)
Foreign exchange gain/ (loss) on financing activities	25	(623,644)	341,816	-	-
Profit/(loss) before taxation		929,881	5,050,043	683,730	368,690
Taxation	16	(151,684)	(435,932)	(136,357)	(169,192)
Profit/(loss) for the period		778,197	4,614,111	547,373	199,498
Profit/(loss) attributable to:					
Owners of the parent		(1,126,208)	1,743,967	547,373	199,498
Non controlling interest		1,904,405	2,870,144	-	-
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	(434,224)	(723,968)	(434,224)	(723,968)
Total comprehensive income for the period		343,973	3,890,143	113,149	(524,470)
Attributable to:					
Owners of the parent		(1,560,432)	1,019,999	113,149	(524,470)
Non controlling interest		1,904,405	2,870,144	-	-
Basic EPS (kobo)	26	(2.77)	4.29	1.35	0.49
Diluted EPS (kobo)	26	(2.77)	4.29	1.35	0.49

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

The notes on pages 7 to 20 are an integral part of these financial statements.

Transnational Corporation of Nigeria Plc
Statement of Financial Position
As at 30 June 2020


	Note	Group		Company	
		30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Assets					
Non-current assets					
Property, plant and equipment	5	157,803,167	158,594,003	113,636	146,121
Intangible assets	6	41,554,610	41,168,233	5,075,818	5,075,818
Investment property	7	2,047,900	2,047,900	2,047,900	2,047,900
Investment in subsidiaries	8	-	-	36,518,345	34,061,624
Debt and equity securities	13	3,016,745	3,450,970	3,016,745	3,450,970
Deferred tax	9	78,711	78,711	-	-
Prepayments and other assets	12	137,555	125,431	78,503	12,250
		204,638,688	205,465,248	46,850,947	44,794,683
Current assets					
Inventories	10	4,528,614	4,438,996	-	-
Trade and other receivables	11	89,810,215	97,931,660	12,926,506	14,870,062
Prepayments and other assets	12	961,765	354,651	142,735	13,331
Cash and cash equivalents	14	1,857,153	4,941,953	556,212	552,699
		97,157,747	107,667,260	13,625,453	15,436,092
Total assets		301,796,435	313,132,508	60,476,400	60,230,775
Liabilities					
Current liabilities					
Trade and other payables	15	76,032,714	78,687,515	6,425,190	4,623,491
Tax Payable	16	1,657,902	1,538,799	229,428	229,428
Borrowings (short term)	17	19,208,198	21,633,309	9,378,479	577,995
		96,898,814	101,859,623	16,033,097	5,430,914
Non-current liabilities					
Borrowings (long term)	17	83,560,452	92,222,833	8,478,974	18,542,201
Deposit for shares	18	2,410,000	2,410,000	-	-
Deferred tax	9	7,901,660	7,901,660	-	-
		93,872,112	102,534,493	8,478,974	18,542,201
Total liabilities		190,770,926	204,394,116	24,512,071	23,973,115
Equity					
Ordinary share capital	27	20,323,996	20,323,996	20,323,996	20,323,996
Share premium		6,249,871	6,249,871	6,249,871	6,249,871
Other reserves		823,174	1,257,398	934,854	1,369,078
Retained earnings		37,666,333	39,199,021	8,455,608	8,314,715
Equity attributable to owners of the parent		65,063,374	67,030,286	35,964,329	36,257,660
Non controlling interest	28	45,962,135	41,708,106	-	-
Total equity		111,025,509	108,738,392	35,964,329	36,257,660
Net equity and liabilities		301,796,435	313,132,508	60,476,400	60,230,775

The notes on pages 7 to 20 are an integral part of these financial statements.

The Unaudited financial statements on pages 1 to 20 were approved and authorised for issue by the Board of Directors on 29th July 2020 and were signed on its behalf by



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



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



Emmanuel Nnorom
Director
FRC/2014/ICAN/0007402

Transnational Corporation of Nigeria Plc
Statement of Profit or Loss and Other Comprehensive Income
For the Quarter Ended 30 June 2020

	Group		Company	
	April - June 2020 N'000	April - June 2019 N'000	April - June 2020 N'000	April - June 2019 N'000
Revenue	19,564,191	19,456,265	968,884	766,953
Cost of sales	(12,210,064)	(10,318,643)	-	-
Gross profit	7,354,127	9,137,622	968,884	766,953
Administrative expenses	(2,901,707)	(3,453,146)	(332,237)	(459,065)
Other income	938,252	317,891	824,141	461,681
Other gains / (loss) - net	(7,223)	12,023	-	-
Operating profit	5,383,449	6,014,390	1,460,788	769,569
Finance cost	(3,822,880)	(3,580,918)	(518,427)	(553,360)
Foreign exchange loss on financing activities	(767,950)	63,987	-	-
Finance cost -net	(4,590,830)	(3,516,931)	(518,427)	(553,360)
Profit/ (Loss) before taxation	792,619	2,497,459	942,361	216,209
Taxation	(95,212)	24,826	(96,888)	(76,695)
Profit/ (Loss) for the period	697,407	2,522,285	845,473	139,514
Profit / (Loss) attributable to:				
Owners of the parent	(622,335)	1,100,148	845,473	139,514
Non controlling interest	1,319,742	1,422,137	-	-
Other comprehensive income				
<i>Items that may be reclassified to profit or loss:</i>				
Net (loss)/gain on equity instruments designated at fair value through OCI	603,302	(723,979)	603,302	(723,979)
Total comprehensive income for the period	1,300,709	1,798,306	1,448,775	(584,465)
Attributable to:				
Owners of the parent	(19,033)	376,169	1,448,775	(584,465)
Non controlling interest	1,319,742	1,422,137	-	-
Basic EPS (kobo)	(1.53)	2.71	2.08	0.34
Diluted EPS (kobo)	(1.53)	2.71	2.08	0.34

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

The notes on pages 7 to 20 are an integral part of these financial statements.

Transnational Corporation of Nigeria Plc
Statement of Changes in Equity
For the Period Ended 30 June 2020

Group	Attributable to owners of the parent					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 Controlling interest N'000		
As at 1 January 2019	20,323,996	6,249,871	1,522,942	38,869,734	66,966,543	37,573,202	104,539,745
Profit for the year	-	-	-	1,548,727	1,548,727	2,156,337	3,705,064
Dividend paid	-	-	-	(1,219,440)	(1,219,440)	(2,722,587)	(3,942,027)
Right Issue	-	-	-	-	-	4,701,154	4,701,154
Other comprehensive income	-	-	(265,544)	-	(265,544)	-	(265,544)
Balance at 31 Dec 2019	20,323,996	6,249,871	1,257,398	39,199,021	67,030,286	41,708,106	108,738,392
As at 1 January 2020	20,323,996	6,249,871	1,257,398	39,199,021	67,030,286	41,708,106	108,738,392
Profit /(Loss) for the period	-	-	-	(1,126,208)	(1,126,208)	1,904,405	778,197
Dividend paid	-	-	-	(406,480)	(406,480)	-	(406,480)
Right Issue	-	-	-	-	-	2,349,624	2,349,624
Other comprehensive income	-	-	(434,224)	-	(434,224)	-	(434,224)
Balance at 30 June 2020	20,323,996	6,249,871	823,174	37,666,333	65,063,374	45,962,135	111,025,509
As at 1 January 2019	20,323,996	6,249,871	1,522,942	38,869,734	66,966,543	37,573,202	104,539,745
Profit for the period	-	-	-	1,743,967	1,743,967	2,870,144	4,614,111
Dividend paid	-	-	-	(1,219,440)	(1,219,440)	-	(1,219,440)
Other comprehensive income	-	-	(723,968)	-	(723,968)	-	(723,968)
Balance at 30 June 2019	20,323,996	6,249,871	798,974	39,394,261	66,767,102	40,443,346	107,210,448

Transnational Corporation of Nigeria Plc
Statement of Changes in Equity
For the Period Ended 30 June 2020

Company	Share capital N'000	Share premium N'000	Other reserves N'000	Retained earnings N'000	Total equity N'000
As at 1 January 2019	20,323,996	6,249,871	1,634,622	8,799,221	37,007,710
Profit for the year	-	-	-	734,934	734,934
Dividend paid	-	-	-	(1,219,440)	(1,219,440)
Other comprehensive income	-	-	(265,544)	-	(265,544)
Balance at 31 Dec 2019	20,323,996	6,249,871	1,369,078	8,314,715	36,257,660
As at 1 January 2020	20,323,996	6,249,871	1,369,078	8,314,715	36,257,660
Profit for the period	-	-	-	547,373	547,373
Dividend paid	-	-	-	(406,480)	(406,480)
Other comprehensive income	-	-	(434,224)	-	(434,224)
Balance at 30 June 2020	20,323,996	6,249,871	934,854	8,455,608	35,964,329
As at 1 January 2019	20,323,996	6,249,871	1,634,622	8,799,221	37,007,710
Profit for the period	-	-	-	199,498	199,498
Dividend paid	-	-	-	(1,219,440)	(1,219,440)
Other comprehensive income	-	-	(723,968)	-	(723,968)
Balance at 30 June 2019	20,323,996	6,249,871	910,654	7,779,279	35,263,800

Transnational Corporation of Nigeria Plc
Statement of Cash Flows
For the Period Ended 30 June 2020

	Group		Company		
	Note	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Cash flows from operating activities					
Cash generated from/(used in) operations	29	18,489,442	26,262,789	2,320,633	9,764,142
Tax paid		(32,581)	(879,803)	-	(204,760)
Net cash flows generated from/(used in) operating activities		18,456,861	25,382,986	2,320,633	9,559,382
Cash flows from investing activities					
Dividend Income on equity security		347,423	369,137	347,423	369,137
Interest received		606,102	675,394	445,381	1,822,032
Purchase of intangible assets		(397,663)	(951,116)	-	-
Proceed from sale of property, plant and equipment		-	15,141	-	381
Purchase of property, plant and equipment		(2,033,348)	(7,171,775)	(280)	(10,109)
Net cash flows (used in)/generated from investing activities		(1,477,486)	(7,063,219)	792,524	2,181,441
Cash flows from financing activities					
Net movement in borrowings		(11,087,491)	(3,271,565)	(1,262,743)	(6,198,295)
Dividend paid		(406,480)	(4,168,977)	(406,480)	(1,219,440)
Interest payment		(8,570,204)	(9,620,857)	(1,440,421)	(3,882,601)
Net cash flows (used in)/generated from financing activities		(20,064,175)	(17,061,399)	(3,109,644)	(11,300,336)
Net (decrease)/increase in cash and cash equivalents		(3,084,800)	1,258,368	3,513	440,487
Cash and cash equivalents at the beginning of the period		4,941,953	3,629,831	552,699	112,212
Foreign exchange loss/(gain) on cash and cash equivalents		-	53,754	-	-
Cash and cash equivalents at the end of the period		1,857,153	4,941,953	556,212	552,699

The notes on pages 7 to 20 are an integral part of these financial statements.

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2020

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 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

2.1 Basis of preparation

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

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2019.

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

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

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

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

Transnational Corporation of Nigeria Plc
Notes to the Financial Statements
For the Period Ended 30 June 2020

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 June 2020			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income				
Equity securities at fair value through OCI	3,016,745	-	-	3,016,745

Assets	At 31 December 2019			Total
	Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss				
Equity securities at fair value through OCI	3,450,970	-	-	3,450,970

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

(a) Financial instruments in level 1

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

4 Segment analysis

The Group

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

i Hospitality

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

ii Agro-allied

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

iii Power

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

iv Oil & Gas

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

v Corporate Centre

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

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

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

Transnational Corporation of Nigeria Plc
Notes to the Financial Statements
For the Period Ended 30 June 2020

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

As at 30 June 2020

	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	4,781,483	-	-	30,174,667	1,363,575	(1,363,575)	34,956,150
Finance income	2,664	-	-	161,079	445,381	-	609,124
Finance cost	2,765,680	-	-	4,878,756	1,440,421	-	9,084,857
Depreciation and amortisation	1,293,649	-	-	1,509,057	32,765	-	2,835,471
Profit/(loss) before taxation	(3,637,793)	(1,411)	(2,790)	5,251,720	683,730	(1,363,575)	929,881
Segmental assets	112,552,824	6,899,717	55,073	156,152,600	60,476,399	(34,340,178)	301,796,435
Segmental liabilities	56,873,583	7,389,577	1,769,351	113,697,738	24,512,072	(13,471,395)	190,770,926
Net assets	55,679,241	(489,860)	(1,714,278)	42,454,862	35,964,327	(20,868,783)	111,025,509

As at 30 June 2019

	Hospitality N'000	Oil & gas N'000	Agro-allied N'000	Power N'000	Corporate centre N'000	Intersegment elimination N'000	Total N'000
Revenue	9,302,902	-	-	28,459,453	1,691,921	(1,691,921)	37,762,355
Finance income	33	-	-	77,990	844,192	-	922,215
Finance cost	1,979,470	-	-	3,160,216	1,900,047	-	7,039,733
Depreciation and amortisation	557,301	-	-	1,329,598	3,693	-	1,890,592
Profit/(loss) before taxation	816,921	-	-	5,559,244	368,690	(1,694,812)	5,050,043
Segmental assets	114,746,269	6,641,268	10	161,773,409	144,663	29,826,889	313,132,508
Segmental liabilities	57,203,345	7,281,899	352,954	129,203,058	303,649	10,049,211	204,394,116
Net assets	57,542,924	(640,631)	(352,944)	32,570,351	(158,986)	19,777,678	108,738,392

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:

Revenue	30 June 2020 N'000	30 June 2019 N'000
Total revenue for reportable segments	36,319,725	39,454,276
Elimination of inter-segment revenue (i)	(1,363,575)	(1,691,921)
External revenue	34,956,150	37,762,355
Profit or loss		
Total (loss) or profit for reportable segments	2,293,456	6,744,855
Elimination of inter-segment profits (ii)	(1,363,575)	(1,694,812)
Consolidated (loss) or profit before taxation	929,881	5,050,043
Assets	30 June 2020	31 December 2019
Total assets of reportable segments	336,136,613	283,305,619
Consolidation eliminations (iii)	(34,340,178)	29,826,889
Consolidated total assets	301,796,435	313,132,508
Liabilities		
Total liabilities of reportable segments	204,242,321	194,344,905
Consolidation eliminations (iv)	(13,471,395)	10,049,211
Consolidated total liabilities	190,770,926	204,394,116

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 2020

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 2020	30 June 2019
	N'000	N'000
Rooms	3,030,605	5,879,849
Food and beverage	1,200,731	2,589,057
Shop rental	304,394	394,523
Service charge	38,982	73,566
Other operating revenue	206,771	365,907
Capacity charge	10,974,671	10,563,931
Energy sent out	19,179,596	17,840,922
Ancillary services	20,400	54,600
Total	34,956,150	37,762,355

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 2020

5 Property, plant and equipment (PP&E)

Group	Right of Use	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	N'000
Balance as at 1 January 2019	179,005	37,739,649	17,763,796	65,206,940	3,666,972	723,632	52,637,612	177,917,606
Additions	-	-	213,955	2,409,519	399,223	101,098	4,047,980	7,171,775
Interest cost capitalised in the year	-	-	-	-	-	-	1,404,359	1,404,359
Reclassification	-	-	32,335,125	1,503,907	14,036,459	-	(47,875,491)	-
Disposals	-	-	(135,949)	(14,960)	(2,712)	(37,524)	-	(191,145)
Balance as at 31 December 2019	179,005	37,739,649	50,176,927	69,105,406	18,099,942	787,206	10,214,460	186,302,595
Balance as at 1 January 2020	179,005	37,739,649	50,176,927	69,105,406	18,099,942	787,206	10,214,460	186,302,595
Additions	-	5,232	385,111	17,403	80,257	60,900	1,484,445	2,033,348
Balance as at 30 June 2020	179,005	37,744,881	50,562,038	69,122,809	18,180,199	848,106	11,698,905	188,335,943
Depreciation								
Balance as at 1 January 2019	-	-	3,094,620	16,648,399	2,873,016	556,677	-	23,172,712
Depreciation	58,056	-	804,624	2,779,610	877,105	80,040	-	4,599,435
Disposals	-	-	(18,330)	(9,095)	(637)	(35,493)	-	(63,555)
Balance as at 31 December 2019	58,056	-	3,880,914	19,418,914	3,749,484	601,224	-	27,708,592
Balance as at 1 January 2020	58,056	-	3,880,914	19,418,914	3,749,484	601,224	-	27,708,592
Depreciation	29,078	-	537,405	1,617,326	614,229	26,147	-	2,824,185
Balance as at 30 June 2020	87,134	-	4,418,319	21,036,239	4,363,713	627,371	-	30,532,776
Net book value								
At 30 June 2020	91,871	37,744,881	46,143,719	48,086,570	13,816,486	220,735	11,698,905	157,803,167
At 31 December 2019	120,949	37,739,649	46,296,013	49,686,492	14,350,458	185,982	10,214,460	158,594,003

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Notes to the Financial Statements

For the Period Ended 30 June 2020

5 Property, plant and equipment (continued)

Company	Right of Use N'000	Building & improvements N'000	Plant & Machinery N'000	Computer & office equipments N'000	Motor vehicles N'000	Total N'000
Cost						
Balance as at 1 January 2019	179,005	28,862	8,771	69,591	7,975	294,204
Additions	-	-	-	2,811	7,298	10,109
Disposals	-	-	-	(612)	-	(612)
Balance as at 31 December 2019	179,005	28,862	8,771	71,790	15,273	303,701
Balance as at 1 January 2020	179,005	28,862	8,771	71,790	15,273	303,701
Additions	-	-	-	-	280	280
Balance as at 30 June 2020	179,005	28,862	8,771	71,790	15,553	303,981
Depreciation and impairment losses						
Balance as at 1 January 2019	-	28,631	2,222	53,985	7,329	92,167
Depreciation for the year	58,056	170	772	5,430	1,216	65,644
Disposals	-	-	-	(231)	-	(231)
Balance as at 31 December 2019	58,056	28,801	2,994	59,184	8,545	157,580
Balance as at 1 January 2020	58,056	28,801	2,994	59,184	8,545	157,580
Depreciation for the period	29,078	61	386	2,300	940	32,765
Balance as at 30 June 2020	87,134	28,862	3,380	61,484	9,485	190,345
Net book value						
At 30 June 2020	91,871	-	5,391	10,306	6,068	113,636
At 31 December 2019	120,949	61	5,777	12,606	6,728	146,121

Depreciation is allocated as follows;

Cost of sales
Administrative expenses

Group		Company	
30 June 2020	30 June 2019	30 June 2020	30 June 2019
N'000	N'000	N'000	N'000
1,489,820	1,319,748	-	-
1,334,365	557,558	32,765	3,693
2,824,185	1,877,306	32,765	3,693

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

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2020

6 Intangible assets

	Group					Company		
	Goodwill	Computer software	Oil Prospecting License	Exploration and evaluation expenditure	Total	Computer software	Oil Prospecting License	Total
Cost	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
At 1 January 2019	30,934,143	258,170	5,075,818	4,136,056	40,404,187	12,966	5,075,818	5,088,784
Addition	-	55,880	-	895,236	951,116	-	-	-
As at 31 December 2019	30,934,143	314,050	5,075,818	5,031,292	41,355,303	12,966	5,075,818	5,088,784
At 1 January 2020	30,934,143	314,050	5,075,818	5,031,292	41,355,303	12,966	5,075,818	5,088,784
Addition	-	3,612	-	394,051	397,663	-	-	-
Disposal	-	-	-	-	-	-	-	-
As at 30 June 2020	30,934,143	317,662	5,075,818	5,425,343	41,752,966	12,966	5,075,818	5,088,784
Accumulated amortisation								
At 1 January 2019	-	163,995	-	-	163,995	12,966	-	12,966
Amortisation charge	-	23,075	-	-	23,075	-	-	-
As at 31 December 2019	-	187,070	-	-	187,070	12,966	-	12,966
At 1 January 2020	-	187,070	-	-	187,070	12,966	-	12,966
Amortisation charge	-	11,286	-	-	11,286	-	-	-
As at 30 June 2020	-	198,356	-	-	198,356	12,966	-	12,966
Net book value								
As at 30 June 2020	30,934,143	119,306	5,075,818	5,425,343	41,554,610	-	5,075,818	5,075,818
At 31 December 2019	30,934,143	126,980	5,075,818	5,031,292	41,168,233	-	5,075,818	5,075,818

Goodwill is not amortised but tested for impairment annually.

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2020

7 Investment property

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
At 1 January	2,047,900	1,800,000	2,047,900	1,800,000
Net gain from fair value remeasurement	-	247,900	-	247,900
At 30 June	2,047,900	2,047,900	2,047,900	2,047,900

8 Investment in subsidiaries

	Company	
	30 June 2020 N'000	31 December 2019 N'000
Transcorp Hotels Plc	19,618,523	19,618,523
Transcorp Power Limited	16,848,922	14,392,201
Other subsidiaries	50,900	50,900
	36,518,345	34,061,624

Movement in investment in subsidiaries is analysed as follows:

	Company	
	30 June 2020 N'000	31 December 2019 N'000
At 1 January	34,061,623	27,529,887
Addition / (Disposal) in Investment	2,456,722	6,531,736
At 30 June	36,518,345	34,061,623

9 Deferred tax

	Group	
	30 June 2020 N'000	31 December 2019 N'000
The balance of Deferred tax assets/ (Liabilities) is as follows:		
Deferred tax assets	78,711	78,711
Deferred tax liabilities	(7,901,660)	(7,901,660)
	(7,822,949)	(7,822,949)

10 Inventories

	Group	
	30 June 2020 N'000	31 December 2019 N'000
Food and beverage	144,235	146,038
Fuel/lubricant	119,349	120,941
Spares	4,127,876	4,032,451
Guest supplies	137,154	139,566
	4,528,614	4,438,996

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Notes to the Financial Statements

For the Period Ended 30 June 2020

11 Trade and other receivables

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Trade receivables	89,356,286	95,990,969	-	-
Related Parties	-	-	15,088,949	15,621,652
Other Receivables	2,864,019	4,196,268	1,451,413	2,854,908
	92,220,305	100,187,237	16,540,362	18,476,560
Less: provision for impairment	(2,410,090)	(2,255,577)	(3,613,856)	(3,606,498)
	89,810,215	97,931,660	12,926,506	14,870,062

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 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Prepayments	280,290	58,132	221,238	25,581
Other assets	819,030	421,950	-	-
	1,099,320	480,082	221,238	25,581
Non-Current	137,555	125,431	78,503	12,250
Current	961,765	354,651	142,735	13,331

13 Debt and equity securities

	Group and Company	
	30 June 2020 N'000	31 December 2019 N'000
Non-current portion		
Equity securities at fair value through OCI	3,016,745	3,450,970
	3,016,745	3,450,970

Movement in debt and equity securities :

	Group and Company	
	30 June 2020 N'000	31 December 2019 N'000
At 1 January	3,450,970	3,716,514
Fair value gain/(loss)	(434,224)	(265,544)
Liquidation	-	-
At 30 June	3,016,746	3,450,970

14 Cash and cash equivalents

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Cash and bank balance	1,857,153	4,941,953	556,212	552,699

15 Trade and other payables

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Trade creditors	49,739,104	55,655,839	-	-
Accruals and other liabilities	22,969,743	17,479,266	3,615,332	1,813,636
Dividend payable	36,749	2,474,314	-	-
Contract Liability	207,302	32,327	-	-
Deposit from guests	133,845	128,780	-	-
VAT payable	208,509	179,527	72,396	72,393
Unclaimed Dividend	862,462	862,462	862,462	862,462
Advance Deposit	1,875,000	1,875,000	1,875,000	1,875,000
	76,032,714	78,687,515	6,425,190	4,623,491

Advance deposit payment of N1.875 billion (2019: N1.875 billion) relates to farm-in fee of \$12.5 million received from EER/SacOil being part of the consideration for the interest of EER and SacOil in Oil Prospecting License 281 (OPL 281). The farm-in process has not been completed.

Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2020

16 Taxation

	Group		Company	
	30 June 2020 N'000	30 June 2019 N'000	30 June 2020 N'000	30 June 2019 N'000
Income tax	151,684	266,740	-	-
Education tax	-	-	-	-
	151,684	266,740	-	-
Tax on franked investment income	-	169,192	136,357	169,192
Deferred tax	-	-	-	-
	151,684	435,932	136,357	169,192

The movement in tax payable is as follows:

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
At 1 January	1,538,799	3,070,345	229,428	245,098
Provision for the year	151,684	(651,743)	-	189,090
Payment during the year	(32,581)	(879,803)	-	(204,760)
At 30 June	1,657,902	1,538,799	229,428	229,428

17 Borrowings

	Group		Company	
	30 June 2020 N'000	31 December 2019 N'000	30 June 2020 N'000	31 December 2019 N'000
Falling due within a year	19,208,198	21,633,309	9,378,479	577,995
	19,208,198	21,633,309	9,378,479	577,995
Falling due after one year	83,560,452	92,222,833	8,478,974	18,542,201
	83,560,452	92,222,833	8,478,974	18,542,201
Total	102,768,650	113,856,142	17,857,453	19,120,196

18 Deposit for shares

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

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

Transnational Corporation of Nigeria Plc
Notes to the Financial Statements
For the Period Ended 30 June 2020

19 Revenue

The group derives the following types of revenue:

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

Group		Company	
30 June	30 June	30 June	30 June
2020	2019	2020	2019
N'000	N'000	N'000	N'000
3,030,605	5,879,849	-	-
1,200,731	2,589,057	-	-
304,394	394,523	-	-
38,982	73,566	-	-
206,771	365,907	-	-
-	-	1,363,575	1,691,921
10,974,671	10,563,931	-	-
19,179,596	17,840,922	-	-
20,400	54,600	-	-
34,956,150	37,762,355	1,363,575	1,691,921

All recognised revenue were generated in Nigeria.

20 Cost of sales

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

Group	
30 June	30 June
2020	2019
N'000	N'000
613,809	779,733
475,482	526,737
972,628	1,392,877
15,807,112	15,520,254
287,037	287,051
417,035	441,688
1,489,820	1,319,748
120,360	120,611
72,642	93,731
20,255,925	20,482,430

21 Other income

Dividend income on equity securities
Management fees from subsidiaries
Other income

Group		Company	
30 June	30 June	30 June	30 June
2020	2019	2020	2019
N'000	N'000	N'000	N'000
347,423	282,000	347,423	282,000
-	-	350,000	350,000
715,747	91,822	303,242	10,270
1,063,170	373,822	1,000,665	642,270

22 Other gains/(losses) - net

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

Group		Company	
30 June	30 June	30 June	30 June
2020	2019	2020	2019
N'000	N'000	N'000	N'000
-	46,190	-	-
-	46,190	-	-

Included in other comprehensive income

Fair value gain/(loss) on equity securities

(434,224)	(723,968)	(434,224)	(723,968)
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Transnational Corporation of Nigeria Plc

Notes to the Financial Statements

For the Period Ended 30 June 2020

23 Administrative and general expenses

	Group		Company	
	30 June 2020 N'000	30 June 2019 N'000	30 June 2020 N'000	30 June 2019 N'000
Staff costs	1,040,451	1,364,382	154,227	224,347
Depreciation	1,334,365	557,558	32,765	3,693
Amortisation	11,286	13,286	-	-
Auditors' remuneration	60,310	59,528	18,365	17,500
Management and incentive fees	890,800	1,060,948	207,570	203,194
Professional fees	133,322	233,461	32,120	99,611
Director's remuneration	187,079	261,559	69,630	65,263
Rent and rates	-	29,028	-	29,028
Repairs and maintenance	263,288	398,088	1,913	3,246
Advertising	813	2,948	813	2,948
Group service benefits	90,906	177,959	-	-
Insurance	215,408	190,056	8,958	5,152
Electricity and diesel cost	530,202	679,212	5,512	8,035
Travel and accommodation	105,872	173,084	22,060	43,636
Licenses and fees	22,110	14,811	19,690	14,811
Business development	129,695	120,683	-	-
Bank charges	116,943	166,060	2,958	12,375
Expected credit (gains) / losses of financial assets	145,000	120,000	-	-
Other operating expenses	967,918	909,725	108,889	176,807
	6,245,768	6,532,376	685,470	909,646

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

24 Finance costs and income

	Group		Company	
	30 June 2020 N'000	30 June 2019 N'000	30 June 2020 N'000	30 June 2019 N'000
Finance costs:				
Interest expense on loans	8,570,204	7,381,549	1,440,421	1,900,047
Interest expense on loans	8,570,204	7,381,549	1,440,421	1,900,047
Finance income:				
Interest on loan	606,102	922,215	445,381	844,192
	606,102	922,215	445,381	844,192
Finance Cost - net	7,964,102	6,459,334	995,040	1,055,855

25 Net foreign exchange losses

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

	Group		Company	
	30 June 2020 N'000	30 June 2019 N'000	30 June 2020 N'000	30 June 2019 N'000
Foreign exchange (gain)/ loss on borrowings	623,644	(341,816)	-	-

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 June 2020 N'000	30 June 2019 N'000	30 June 2020 N'000	30 June 2019 N'000
Profit attributable to shareholders	(1,126,208)	1,743,967	547,373	199,498
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)	(2.77)	4.29	1.35	0.49
Diluted earnings per share (Kobo)	(2.77)	4.29	1.35	0.49

27 Share capital

a Authorised:

	Group		Company	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
45,000,000,000 ordinary shares of 50kobo each	22,500,000	22,500,000	22,500,000	22,500,000

Allotted, called up and fully paid:

	Group and Company		
	Number of shares (thousands)	Ordinary shares N'000	Total N'000
At 1 January 2019	40,647,991	20,323,996	20,323,996
Bonus issue	-	-	-
At 30 June 2020	40,647,991	20,323,996	20,323,996

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28 Non controlling interest

	Transcorp Hotels Plc (THP)	Transcorp Power Limited (TPL)	Transcorp Hotels Ikoyi Limited	Group
	N'000	N'000	N'000	N'000
At 1 January 2019	27,251,205	14,456,061	840	41,708,106
THP profit for the period	(600,223)	-	-	(600,223)
TPL profit for the period	-	2,504,628	-	2,504,628
TPL Right Issue	-	2,349,624	-	2,349,624
At 30 June 2020	26,650,982	19,310,313	840	45,962,135

29 Cash generated from operating activities

	Group		Company	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	N'000	N'000	N'000	N'000
Profit /(Loss) before tax	929,881	7,897,624	683,730	1,241,401
Adjustment for:				
Depreciation of PP&E (Note 5)	2,824,185	4,599,435	32,765	65,644
Loss on disposal of PP&E	-	112,449	-	-
Amortization of intangible assets	11,286	23,075	-	-
Deferred Income	-	(170,854)	-	-
Impairment allowance on financial assets	-	358,910	-	(311,609)
Increase in fair value of Investment Properties	-	(247,900)	-	(247,900)
Dividend Income on equity securities	(347,423)	(369,137)	(347,423)	(369,137)
Finance cost	8,570,204	14,865,727	1,440,421	3,882,601
Finance income	(606,102)	(675,394)	(445,381)	(1,822,032)
Foreign exchange loss/ (gain)	623,644	329,727	-	-
Changes in working capital:				
(Increase) / decrease in trade, other receivables and prepayment	7,502,207	(14,573,018)	(708,822)	6,073,535
Decrease / (Increase) in inventories	(89,618)	372,917	-	-
Increase/(decrease) in trade and other payables	(928,822)	13,739,228	1,665,343	1,251,639
Net cash generated from/(used in) operations	18,489,442	26,262,789	2,320,633	9,764,142

30 Contingent liabilities

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

31 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Transnational Corporation of Nigeria 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

32 Compliance with Free Float Requirement and Shareholding Structure as at 30 June 2020

Range	No. of Holders	Holder %	Units	Unit %
1-999	4,762	1.69	1,793,266	0.00
1000- 9,999	209,987	74.71	533,732,898	1.31
10,000 - 99,999	54,892	19.53	1,295,621,308	3.19
100,000 - 999,999	9,692	3.45	2,414,263,183	5.94
1,000,000 - 9,999,999	1,530	0.54	3,394,057,546	8.35
10,000,000 - 99,999,999	156	0.06	3,549,151,226	8.73
100,000,000 - 999,999,999	43	0.02	11,977,768,509	29.47
Above 1,000,000,000	10	0.00	17,481,602,357	43.01
Total	281,072	100.00	40,647,990,293	100.00

Transnational Corporation of Nigeria Plc is in compliance with the free float requirement as at 30 June 2020.

33 Subsequent events

The global outbreak of Corona virus disease (COVID-19) in first half 2020 has negatively impacted the world economy, including Nigeria. In response to the outbreak in Nigeria, the Federal Government of Nigeria, state governments and health authorities issued regulations, directives and guidelines aimed at curbing the spread of the virus and disease. Transnational Corporation of Nigeria Plc (Transcorp) continues to manage the impact of the pandemic through excellent execution of pro-active contingency and business continuity plans as well as full compliance with local regulations, directives, and guidelines.

Transcorp's revenue is generated mostly from two key sectors; Power, which contributes about 70% of the Group's Revenue; and Hospitality, which contributes about 30% of the Group's Revenue. Stated below are the impacts of COVID-19 Pandemic on these business units.

Transnational Corporation of Nigeria Plc

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Power

Transcorp Power Limited is in the business of power generation, which is classified as essential service. As a result of this, the company and its staff were exempted from the restriction of movement associated with the lockdown announced both at the federal and state government levels at the first half 2020. Accordingly, the operations of Transcorp Power Limited are not materially affected by the negative impact of the COVID-19 pandemic.

The PPE of the Plant are running at scheduled capacity level while the company's inventories are in active use. The company continues to receive payments of its invoices under the Federal Government's N600b Payment Assurance Facility. In addition, payments are made to suppliers and lenders as at when due. Based on management's assessments, Transcorp Power Ltd.'s operations are not materially affected by the negative impact of the COVID-19 pandemic.

Hospitality

Transcorp Hotel plc started the year 2020 optimistic with detailed plans and budget to surpass the N20bn revenue performance achieved in 2019.

With the Global Corona virus Pandemic, the hospitality industry, and Transcorp Hotels Plc, in particular, has been negatively impacted.

Nigeria witnessed increase in confirmed cases which led to closure of airports and flights and an official lockdown of the FCT issued by the Federal Government to ensure the effective combat of the virus. All of these negatively impacted the hotel and its business activities in the first half of the year.

The Company anticipates that its future results of operations, including the results for 2020, will be significantly impacted by the corona virus outbreak. However, given the speed and frequency of continuously evolving developments with respect to this pandemic, the Company cannot reasonably estimate the magnitude of the impact on its results and its operations.

The company's management continues to implement several precautionary measures to ensure the safety and security of all its guests and team members against COVID-19 virus. We also continue to explore other opportunities the pandemic presents in order to minimize the impact on our operation.