TRANSCORP HOTELS PLC

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2016

Transcorp Hotels Plc
Contents

Transcorp Hotels Plc
Corporate Information
For the period ended 30 September 2016

Company Registration No.	RC 248514	
Registered Office	1 Aguiyi Ironsi Street Federal Capital Territory Abuja, Nigeria.	
Board of Directors	Olorogun O'tega Emerhor, OON	Chairman
	Mr. Valentine Ozigbo	Managing Director
	Ms. Okaima Ohizua	Executive Director
	Mr. Peter Elumelu	Non Executive Director
	Mr. Emmanuel Nnorom	Director
	Mr. Benjamin Dikki	Director*
	Mr. Adim Jibunoh	Director**
	Dr.Vincent Akpotaire	Director**
	HRH Baba Mohammed	Director
	Mr. Gogo Kurubo	Director*
	Mr. Omoniyi Fagbemi mni	Director

* Director resigned on March 23, 2016
** Director appointed on March, 23 2016.
* Director resigned on April 15, 2016

Auditor	PricewaterhouseCoopers Chartered Accountants Land mark Towers 5B, Water Corp. Road Victoria Island, Lagos.
Bankers	United Bank for Africa Plc Zenith Bank Plc Mainstreet Bank Limited
Company Secretary	Helen Iwuchukwu 1 Aguiyi Ironsi Street Federal Capital Territory Abuja Nigeria.
Registrars	Africa Prudential Registrars Plc 220B Ikorodu Road Palmgrove, Lagos.

Transcorp Hotels Plc
Report of the Directors
For the period ended 30 September 2016

The Directors present their unaudited financial statements of Transcorp Hotels Plc ("the company") for the period ended 30 September 2016, to the members of the Company. This report discloses the state of the Company and the Group.

LEGAL FORM

Transcorp Hotels Plc was incorporated on 12 July 1994 in Nigeria under the Companies and Allied Matters Act as a private limited liability company and is domiciled in Nigeria.
The company is engaged in the hospitality industry; particularly the rendering of hotel services.

The Company owns and operates Transcorp Hilton Hotel Abuja. The hotel which is situated in Abuja provided luxury accommodation, exotic cusines. fully equipped meeting rooms and leisure facilities to business travellers and tourist from all over the world.
The Company holds 100% equity interest in Transcorp Hotels Calabar Limited and Transcorp Hotels Port Harcourt Limited and also has interests in Transcorp Hotels Ikoyi Limited

The "Group" consists of Transcorp Hotels Plc and the above named subsidiaries.
The Company's registered office is 1 Aguiyi Ironsi Street, Federal Capital Territory, Abuja, Nigeria.

PRINCIPAL ACTIVITIES

The Company is involved in the investment and operation of hospitality and leisure companies.

RESULTS

The Group and Company's result for the period ended 30 September 2016 are set out on page 6. The profit for the period of N2.67Billion (Company: N2.66Billion) has been transferred to retained earnings. The summarised results are presented below.

	Group 30 Sept 2016 N'000	Company 30 Sept 2016 N'000
Turnover	11,470,931	10,939,220
Profit before tax	3,926,997	3,914,998
Tax	(1,252,801)	(1,252,801)
Total comprehensive income attributable to owners of the parent	2,674,196	2,662,197
Earnings per share (kobo)	35	35

DIRECTORS' INTERESTS IN CONTRACTS

None of the directors has notified the Company for the purpose of section 277 of the Companies and Allied Matters Act of their direct or indirect interest in contracts or proposed contracts with the Company during the period.

DIRECTORS' SHAREHOLDING

The directors who held office during the period, together with their direct and indirect interests in the shares of the Company, were as follows:

Full Name (With title)	Position	Direct Holding	Indirect Holding	Companies represented by indirect holding
Olorogun O'tega Emerhor, OON	Chairman	N/A	6,344,100,000	Transnational Corporation of Nigeria Plc
Valentine Ozigbo	Managing Director	1,000,000	N/A	N/A
Ohizua Okaima	Executive Director,Customer services	50,000	N/A	N/A
Peter Elumelu	Non Executive Director	100,000	6,344,100,000	Transnational Corporation of Nigeria Plc
Mr. Emmanuel Nnorom	Non Executive Director	1,000,000	6,344,100,000	Transnational Corporation of Nigeria Plc
Mr. Omoniyi Fagbemi mni	Non Executive Director	50,000	837,900,000	Ministry of finance incorporated
Mr. Adim Jibunoh	Non Executive Director	N/A	N/A	N/A
HRH Baba Mohammed	Non Executive Director	N/A	N/A	N/A

FIXED ASSETS

Information relating to changes in the fixed assets of the Company is given in Note 10 to the financial statements.

EMPLOYMENT OF PHYSICALLY CHALLENGED PERSONS

The Group has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged.

EMPLOYEE HEALTH, SAFETY AND WELFARE

The Group maintains business premises and work environments that guarantee the safety and health of its employees and other stakeholders. The Group's rules and practices in these regards are reviewed and tested regularly. Also, the Group provides free medical insurance for its employees and their families through selected health management organizations and hospitals.

EMPLOYEE TRAINING AND INVOLVEMENT

The directors maintain regular communication and consultation with the employees on matters affecting employees and the Group.

Employees are kept fully informed regarding the Group's performance and the Group operates an open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.
Employees are also involved in the affairs of the Group through the service charge bonus scheme, which entitles them to a percentage of the hotel's service charge revenue.

Training is carried out at various levels through in-house and external courses. The Group's skill base has been extended by a range of training provided to the employees whose opportunity for career development within the Group has been enhanced.

DONATIONS AND GIFTS

The company did not donate any sum in the current period (2015: N0 million).

AUDITORS

Messrs. PricewaterhouseCoopers have indicated their willingness to continue in office as the auditors of the Company in accordance with section 357(2) of the Companies and Allied Matters Act.

By order of the Board

Hiwuchukwu

Helen Iwuchukwu
Company Secretary
FRC/2015/NBA/00000012716
October 07, 2016

Transcorp Hotels Plc
Statement of directors responsibilities
for the period ended 30 September 2016

The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the period and of its profit or loss. The responsibilities include ensuring that the company:

(a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;

(b) establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and

(c) prepares the company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, and are consistently applied.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

Transcorp Hotels Plc
Statement of Financial Position
As at 30 September 2016

	Note	Group 30 Sept 2016 N'000	Group 31 Dec 2015 N'000	Company 30 Sept 2016 N'000	Company 31 Dec 2015 N'000
ASSETS					
Non Current assets					
Property, plant and equipment	10	72,925,893	63,334,139	63,731,689	54,068,669
Intangible assets	11	2,024,685	2,032,567	44,143	52,025
Investment Property	13	-	-	1,507,000	1,507,000
Investment in subsidiaries	12	-	-	3,529,781	3,529,781
Long term receivables	21.2	1,530,110	-	5,094,626	3,564,516
Total non current assets		**76,480,688**	**65,366,706**	**73,907,239**	**62,721,991**
Current assets					
Inventories	16	674,763	691,442	644,957	658,216
Trade and other receivables	17	9,442,846	11,098,053	9,677,374	11,510,857
Cash and bank balances	18	4,112,383	14,184,829	4,005,088	13,998,377
Total current assets		**14,229,992**	**25,974,324**	**14,327,419**	**26,167,450**
Total assets		**90,710,680**	**91,341,030**	**88,234,658**	**88,889,441**
LIABILITIES					
Non-current liabilities					
Borrowings-Non-current	14	16,313,564	16,313,564	16,313,564	16,313,564
Deposit for shares		2,410,000	2,410,000	-	-
Deferred tax liability	15	7,482,786	7,482,786	7,221,889	7,221,889
Total non-current liabilities		**26,206,350**	**26,206,350**	**23,535,453**	**23,535,453**
Current liabilities					
Trade and other payables	19	4,856,817	6,818,425	4,649,601	6,643,246
Borrowing-Current	14	3,238,531	3,238,531	3,238,531	3,238,531
Current income tax liabilities	9	1,589,637	2,932,574	1,589,637	2,912,972
Total current liabilities		**9,684,985**	**12,989,530**	**9,477,769**	**12,794,749**
Total liabilities		**35,891,335**	**39,195,880**	**33,013,222**	**36,330,202**
Equity					
Ordinary share capital	25	3,800,202	3,800,202	3,800,202	3,800,202
Share Premium	25	4,034,411	4,034,411	4,034,411	4,034,411
Retained earnings		46,983,892	44,309,697	47,386,823	44,724,626
Capital and reserve attributable to owners		**54,818,505**	**52,144,310**	**55,221,436**	**52,559,239**
Non-Controlling Interest		840	840	-	-
Total equity and liabilities		**90,710,680**	**91,341,030**	**88,234,658**	**88,889,441**

The notes on pages 9 to 33 are an integral part of these financial statements

The financial statements on pages 5 to 35 were approved and authorised for issue by the Board of Directors on 7 October 2016 and were signed on its behalf by:

Adekunle Elumaro
FRC/2013/ICAN/00000004862
Chief Financial Officer

Valentine Chineto Ozigbo
FRC/2013/ICAN/00000005347
Managing Director/CEO

Transcorp Hotels Plc
Statement of Comprehensive Income
For the period ended 30 September 2016

	Note	Group 30 Sept 2016 N'000	Group 30 Sept 2015 N'000	Company 30 Sept 2016 N'000	Company 30 Sept 2015 N'000
Revenue	5	11,470,931	10,462,429	10,939,220	10,046,340
Cost of sales	6	(2,839,969)	(2,462,460)	(2,654,326)	(2,295,500)
Gross profit		**8,630,962**	**7,999,969**	**8,284,894**	**7,750,840**
Administrative expenses	7	(5,501,422)	(5,230,220)	(5,166,573)	(4,895,915)
Other operating income	8	350,508	377,130	350,508	377,130
Operating profit		**3,480,048**	**3,146,879**	**3,468,829**	**3,232,055**
Finance income	8	446,949	275,947	446,169	273,292
Net finance income		**446,949**	**275,947**	**446,169**	**273,292**
Profit before taxation		**3,926,997**	**3,422,826**	**3,914,998**	**3,505,347**
Income tax expense	9	(1,252,801)	(1,075,399)	(1,252,801)	(1,069,593)
Profit for the year		2,674,196	2,347,427	2,662,197	2,435,754
Attributable to:					
Basic EPS (kobo)	24	35	31	35	32
Diluted EPS (kobo)	24	35	31	35	32

The notes on pages 9 to 33 are an integral part of these consolidated financial statements.

Transcorp Hotels Plc
Statement of Changes in Equity
For the period ended 30 September 2016

Group	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Non Controlling Interest N'000	Total Equity N'000
At 1 January 2015	3,800,202	4,034,411	43,917,458	-	51,752,071
Profit for the period	-	-	2,347,427	-	2,347,427
Balance at 30 September 2015	**3,800,202**	**4,034,411**	**46,264,885**	**-**	**54,099,498**
Balance at 1 January 2016	3,800,202	4,034,411	44,309,697	840	52,145,150
Profit for the period	-	-	2,674,196	-	2,674,196
Balance at 30 September 2016	**3,800,202**	**4,034,411**	**46,983,892**	**840**	**54,819,345**

Company	Share Capital N'000	Share Premium N'000	Retained Earnings N'000	Total Equity N'000
At 1 January 2015	3,800,202	4,034,411	44,254,855	52,089,468
Profit for the period	-	-	2,435,754	2,435,754
Balance at 30 September 2015	**3,800,202**	**4,034,411**	**46,690,609**	**54,525,222**
Balance at 1 January 2016	3,800,202	4,034,411	44,724,626	52,559,239
Profit for the period	-	-	2,662,197	2,662,197
Balance at 30 September 2016	**3,800,202**	**4,034,411**	**47,386,823**	**55,221,436**

The notes on pages 9 to 33 are an integral part of these financial statements

Transcorp Hotels Plc
Statement of Cash flows
For the period ended 30 September 2016

	Note	Group 30 Sept 2016 N'000	Group 30 Sept 2015 N'000	Company 30 Sept 2016 N'000	Company 30 Sept 2015 N'000
Cash flows from operations					
Cash generated from operating activities	26	5,490,878	7,274,023	5,539,132	7,159,273
Tax paid	9	(2,596,579)	(1,521,637)	(2,576,136)	(1,521,637)
Net cash generated from /(used in) operating activities		**2,894,299**	**5,752,386**	**2,962,996**	**5,637,636**
Cash flows from investing activities					
Proceeds from sale of property plant and equipment	26	3,500	-	3,500	-
Purchase of property, plant and equipment	10	(10,310,332)	(2,339,148)	(10,299,092)	(2,291,298)
Purchase of intangible assets	11	(1,761)	(16,157)	(1,761)	(15,962)
Interest received	8	446,949	275,947	446,169	273,292
Net cash used in investing activities		**(9,861,644)**	**(2,079,358)**	**(9,851,184)**	**(2,033,968)**
Cash flows from financing activities					
Dividend paid		(3,105,101)	(2,812,149)	(3,105,101)	(2,812,149)
Proceeds from loan		-	2,953,400	-	2,953,400
Net cash used/generated in financing activities		**(3,105,101)**	**141,251**	**(3,105,101)**	**141,251**
Net (decrease) / increase in cash and cash equivalents		**(10,072,446)**	**3,814,279**	**(9,993,289)**	**3,744,919**
Cash & cash equivalents at the beginning of the year	18	14,184,829	2,688,578	13,998,377	2,624,925
Cash balance at end of period	18	**4,112,383**	**6,502,857**	**4,005,088**	**6,369,844**

The notes on pages 9 to 33 are an integral part of these financial statements

1 General information

Transcorp Hotels Plc was incorporated on 12 July 1994 in Nigeria under the Companies and Allied Matters Act as a private limited liability Company, and is domiciled in Nigeria. The Company is engaged in the hospitality industry; particularly the rendering of hotel services.

The Company owns and operates Transcorp Hilton Hotel Abuja. The hotel which is situated in Abuja provides luxury accommodation, exotic cuisines, fully equipped meeting rooms and leisure facilities to business travellers and tourists from all over the world.
The Company holds 100% equity interest in Transcorp Hotels Calabar Limited and Transcorp Hotels Port Harcourt Limited and also has interests in Transcorp Hotels Ikoyi Limited.

The "Group" consists of Transcorp Hotels Plc and the above named subsidiaries.

The Company's registered office is 1 Aguiyi Ironsi Street, Federal Capital Territory, Abuja, Nigeria.

2 Summary of significant accounting policies

2.1 Basis of preparation

The interim condensed consolidated financial statements for the third quarter ended 30 September, 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting and the Companies and Allied Matters Act (CAMA).

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 2015.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2015.

In preparing these interim financial statements, Management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by Management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 30 September 2016. The interim condensed financial statements have been prepared on a historical cost basis except for the fair value basis applied to certain property plant and equipment, intangible assets, investment property and equity investments. The financial statements are presented in Naira being the functional currency of the primary economic environment in which the Company operates.

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

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous accounting period

Standards and Interpretations effective during the reporting period

It is important to note that no standard nor amendment to existing standard took effect during the reporting period. Hence,there was no impact on the accounting policies, financial position or performance of the Group

(b) New standards issued / amended but not yet effective

Title of standard	Nature of change	Impact	Mandatory application
IFRS 9 Financial Instruments	IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In July 2014, the IASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the IASB in July 2014, the group no longer expects any impact from the new classification, measurement and derecognition rules on the group's financial assets and financial liabilities. Hence there will be no change to the accounting for these assets. There will also be no impact on the group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the group does not have any such liabilities.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

New standards and interpretations not yet adopted (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
IFRS 15 Revenue from Contracts with Customers	The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	Management is currently assessing the impact of the new rules.	Mandatory for financial years commencing on or after 1 January 2018.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has control. Control exists when the group has power over the investee, is exposed to, or has rights to variable returns from its involvement with investee, and has the ability to use its power to affect the returns. Subsidiaries are accounted for at cost in the separate financial statements of Transcorp Hotels Plc. In the consolidated financial statements, subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Business Combination
The group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are with limitations, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the present ownership instrument's proportionate share of the recognised amounts of acquiree's identifiable net assets for components that are present and entitle their holders to a proportionate share of net assets in the events of liquidation. All other components of non-controlling interests are measured at fair value.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income.

Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.
The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill.
If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Inter-Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

b) Disposal of subsidiaries

When the group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss.

In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(c) Common control transactions

The group applies predecessor values method in accounting for business combination under common control. The financial statements are prepared using predecessor book values, i.e. the book values of the net assets of the acquiree company in the consolidated accounts of Transcorp Hotels Plc before the transaction, without any step up to fair value. The difference between any consideration given and the aggregate book value of the assets and liabilities (as of the date of the transaction) of the acquired entity is recorded as an adjustment to equity. This is recorded in retained earnings. No additional goodwill is created by the transaction.

2.3 Segment reporting

The chief operating decision-maker has been identified as the Board of Directors of Transcorp Hotels Plc. 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. Assessment of performance is based on operating profits of the operating segment that is reviewed by the Board. Other information provided to the Board is measured in a manner consistent with that of the financial statements.
The Board considers the business from an industry perspective and has identified one (1) operating segment which is the hospitality business as none of the subsidiaries consolidated qualify for segment analysis.

The hospitality business is made up of Transcorp Hotels Plc (THP) and its subsidiaries, Transcorp Hotels Calabar Limited (THC), Transcorp Hotels Ikoyi Limited and Transcorp Hotels Port Harcourt Limited.

2.4 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which Transcorp Hotels Plc operates ('the functional currency'). The functional currency of Transcorp Hotels Plc and its subsidiaries is the Nigerian Naira (N). All entities in the group have the same functional currency. The financial statements are also presented in Naira.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'other (expenses)/income – net'. Translation differences related to changes in amortised cost are recognised in profit or loss.

2.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost can be measured reliably.

All other repairs and maintenance are charged to the Statement of Profit or loss during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity.
As often as it occurs, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their costs or revalued amounts to their residual values over their estimated useful lives, as follows:

Leasehold buildings	2 %	Plant and machinery	10 %
Furniture and fittings	20%	Computer equipment	33 %
Motor vehicles	25%		

The group allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than it's estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in other income or expense - net in the Statement of profit or loss for the period.

2.6 Intangible assets

(a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Transcorp Hotel Plc's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

The Goodwill in the books arose from the purchase of Transcorp Hotels Calabar Limited which operates the Transcorp Hotel, Calabar.

For purposes of impairment testing, the entire business is treated as one cash generating unit (CGU).

(b) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- the directors intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development, employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives from the point at which the asset is ready for use. The estimated useful lives of the software of the group is between two to eight years.

2.7 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the entities in the consolidated Group, are classified as investment properties.

Recognition of investment properties takes place only when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. This is usually the day when all risks are transferred.

Investment properties are measured initially at cost, including transaction costs, in the year of acquisition. The carrying amount includes the cost of replacing parts of an existing investment property at the time the cost was incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the date of the consolidated statement of financial position.

Gains or losses arising from changes in the fair value of investment properties are included in the consolidated income statement in the year in which they arise. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the consolidated profit or loss during the financial period in which they are incurred.

The fair value of investment properties is based on the nature, location and condition of the specific asset. The fair value is obtained from professional third party valuers contracted to perform valuations on behalf of the Group. The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure. These valuations are performed annually by external appraisers.

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

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

The fair values of borrowings are based on cash flows discounted using a rate based on the borrowing rate of 21% (2015: 21%). The rate used is the average interest rate obtainable from commercial banks and has been determined as a level 2 measure within the fair value hierarchy.

2.9 Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

2.9.1 Classification of financial instruments

Management determine the classification of its financial instruments at initial recognition.

(a) Financial assets and liabilities at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

(c) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the directors have the positive intention and ability to hold to maturity, other than:
(a) those that the group upon initial recognition designates as at fair value through profit or loss;
(b) those that the group designates as available-for-sale; and
(c) those that meet the definition of loans and receivables.

(d) Financial liabilities at amortized cost

Financial liabilities at amortized cost consists of trade payables.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less.

2.9.2 Recognition and measurement

(a) Loans and receivables

Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment.

(b) Held-to-maturity investments

Held-to-maturity investments are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method.

(c) Financial liabilities at amortized cost

Trade payables are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, trade payables are measured at amortized cost using the effective interest method.

2.10 Offsetting financial instruments

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

2.11 Impairment of financial assets

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the group uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the debtor or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

2.12 Inventories

Inventories are stated at the lower of cost and estimated net realisable value. Cost is determined using the weighted average method. This includes the cost of direct materials to the company's premises and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

2.13 Cash, cash equivalents and bank overdrafts

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in Profit or Loss over the period of the borrowings using the effective interest method.
Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.
Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, (i.e. capitalised) until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.17 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is recognised in other comprehensive income or directly in equity, respectively.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of profit or loss, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

Deferred tax assets and liabilities are presented as non-current in the statement of financial position.

2.18 Employee benefits

a Defined contribution scheme

The group operates a defined contributory pension scheme in line with the provisions of the Pension Reform Act 2014. The employer's contributions are recognised as employee benefit expenses when they are due. The group has no further payment obligation once the contributions have been paid.

b Profit-sharing and bonus plan

The Group operates a bonus plan where staff are remunerated based on parameters determined by the Board. Bonus payments are at the discretion of the Board and the expense is recognised as in the year it is incurred. There is no contractual obligation neither has there been a past practice to create a constructive obligation.

2.19 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable stated net of discounts, returns and value added taxes. The group earns revenue from the sale of goods and services.

Revenue comprises the fair value of the consideration received or receivable from the sale of goods and services in the ordinary course of the Company's activities. Revenue is recognised when it is probable that the economic benefits associated with a transaction will flow to the Company and the amount of revenue and associated costs incurred or to be incurred can be measured reliably.
Revenue includes hotel, entertainment and restaurant revenues, other service fees, rental income and the invoiced value of goods and services sold less returns and allowances. Value Added Tax (VAT) and other taxes are excluded from revenue and treated as overhead expenses , as these are borne by the Company and not by its customers. VAT on all other revenue transactions is considered to be a tax collected by the Company as an agent on behalf of the revenue authorities and is excluded from revenue.

Transcorp Hilton Hotel Abuja offers a customer loyalty programme called the Hilton Honours Guest Reward Programme on behalf of the Hilton International. Under this programme, registered members earn points when they pay for rooms or services at the hotel. The group accounts for the points as a separately identifiable component of the sales transaction in which they are granted (the 'initial sale' of rooms or service). The consideration received or receivable in respect of the initial sale is allocated between the points and the sale of rooms or service with reference to the fair value of the points. Revenue is measured as the net amount retained by the hotel, i.e. the difference between the consideration allocated to the award credits and the amount payable to the Hilton International for supplying the awards.

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

2.20 Leases

Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Finance lease

Leases of items by the group where the group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the asset and the present value of the minimum lease payments.
Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

2.21 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the group's shareholders. In respect of interim dividends, these are recognised when declared by the Board of Directors.

2.22 Share capital

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

3 Financial risk management

This note explains the group's exposure to financial risks and how these risks could affect the group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Naira units	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Interest rate swaps
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification
Credit risk	Cash and cash equivalents, trade receivables, available-for-sale debt instruments and held-to-maturity investments	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit investment guidelines for available for sale and held to maturity investments.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.

The group's risk management is carried out by a central treasury department (group treasury) under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3.1 Market risk management

(i) Foreign exchange risk

The group's exposure to foreign currency risk at the end of the reporting period, expressed in the individual foreign currency units was as follows:

Exposure as at 30 September , 2016

Group	**USD 000**	**GBP 000**	**Euro 000**
Cash and cash equivalents	3,464	156	21
Trade payables	292	-	-

Company	**USD 000**	**GBP 000**	**Euro 000**
Cash and cash equivalents	3,464	156	21
Trade payables	292	-	-

Exposure as at 31 December, 2015

Group			
Cash and cash equivalents	2,079	156	62
Trade payables	2,446	-	-

Company			
Cash and cash equivalents	2,033	156	62
Trade payables	2,446	-	-

3.1 Market risk (continued)

Amounts recognised in profit or loss and other comprehensive income

During the period, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

	Note	Group		Company	
		30 Sept 2016	**30 Sept 2015**	**30 Sept 2016**	**30 Sept 2015**
		N'000	**N'000**	**N'000**	**N'000**
Net foreign exchange gain/(loss) included in other income	*8*	347,008	377,130	347,008	377,130

Sensitivity

As shown in the table above, the group is primarily exposed to changes in US/=N= exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US-dollar denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

	Group		Company	
	30 Sept 2016	**30 Sept 2015**	**30 Sept 2016**	**30 Sept 2015**
	N'000	**N'000**	**N'000**	**N'000**
Impact on post tax profit				
US/=N= exchange rate – increase 25%	793	(92)	793	(103)

(ii) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from long-term borrowings with fixed interest rates. The group's borrowings at fixed rate were mainly denominated in Nigerian currency (Naira).

The group's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in IFRS 7, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

3.2 Credit risk management

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

(i) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum national rating of 'A' are accepted.

There is no independent rating for customers. Risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The compliance with credit limits by customers is regularly monitored by line management.

Sales to customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The credit ratings of the investments are monitored for credit deterioration.

(ii) Security

No security is obtained for trade receivables either in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external

	30 Sept 2016	**31 Dec 2015**	**30 Sept 2016**	**31 Dec 2015**
Cash at bank and short-term bank deposits	**N'000**	**N'000**	**N'000**	**N'000**
A+	4,112,383	14,184,829	4,005,088	13,998,377

None of the amounts receivable from related parties are past due or impaired and repayments have been received regularly and on time historically. Management has established a related entity risk management framework including pre-determined limits for extending credit to key management personnel.

(iii)Impaired trade receivables
Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively to determine whether there is objective evidence that an impairment has been incurred but not yet been identified.
For these receivables the estimated impairment losses are recognised in a separate provision for impairment.

The group considers that there is evidence of impairment if any of the following indicators are present:
- significant financial difficulties of the debtor
- probability that the debtor will enter bankruptcy or financial reorganisation, and
- default or delinquency in payments (more than 90 days overdue).
Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

Individually impaired trade receivables relate to customers who had defaulted for more than 90 days where there is no evidence for recoverability of amounts owed. The group expects that a portion of the receivables will be recovered and has recognised impairment losses of N195million and N174million for group and company respectively. The ageing of these receivables is as follows:

	Group		**Company**	
	30 Sept 2016	**31 Dec 2015**	**30 Sept 2016**	**31 Dec 2015**
	N'000	**N'000**	**N'000**	**N'000**
1 to 3 months	146,357	-	130,865	-
3 to 6 months	15,611	3,381	13,959	3,381
Over 6 months	33,174	236,345	29,663	216,353
	195,143	**239,726**	**174,487**	**219,734**

Movements in the provision for impairment of trade receivables that are assessed for impairment collectively are as follows:

	Group		**Company**	
	N'000	**N'000**	**N'000**	**N'000**
At 1 January	239,726	148,653	219,734	128,661
Provision for impairment recognised during the period	14,581	91,176	14,581	91,176
Received in the period	(59,164)	(103)	(59,828)	(103)
At 30 September	**195,143**	**239,726**	**174,487**	**219,734**

	Group		**Company**	
	30 Sept 2016	**31 Dec 2015**	**30 Sept 2016**	**31 Dec 2015**
Amounts recognised in profit or loss	(44,583)	91,073	(45,247)	91,073

During the period, the following gains/(losses) were recognised in profit or loss in relation to impaired receivables

Impairment losses
- individually impaired receivables
- movement in provision for impairment

Reversal of previous impairment losses

(iv) Past due but not impaired
As at 30 September 2016, trade receivables of N200million (Company- N200million) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Group		**Company**	
	30 Sept 2016	**31 Dec 2015**	**30 Sept 2016**	**31 Dec 2015**
	N'000	**N'000**	**N'000**	**N'000**
Up to 3 months	58,336	249,964	58,336	249,964
3 to 6 months	141,871	196,833	141,871	147,224
	200,207	**446,797**	**200,207**	**397,188**

The other class within trade receivables do not contain impaired assets and are not past due. Based on the credit history of this other class, it is expected that these amounts will be received when due. The group does not hold any collateral in relation to these receivables.

	Group		Company	
	30 Sept 2016	**31 Dec 2015**	**30 Sept 2016**	**31 Dec 2015**
Neither past due not Impaired				
	N'000	**N'000**	**N'000**	**N'000**
Less than 3 months	8,829,514	10,589,813	9,078,120	11,057,996
	8,829,514	10,589,813	9,078,120	11,057,996

3.3 Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the group held deposits at call of N1.98 Billion (2015 –N12.92 Billion) that are expected to readily generate cash inflows for managing liquidity risk.

Management monitors rolling forecasts of the group's liquidity reserve and cash and cash equivalents (note 19) on the basis of expected cash flows.

This is generally carried out at each of the respective companies of the group in accordance with practice and limits set by the group. These limits vary to take into account the liquidity of the market in which the entity operates.
In addition, the group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

(i) Maturities of financial liabilities
The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities.

Contractual maturities of financial liabilities (Company)	**Less than 6 months**	**6 – 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total contractual cash flows and carrying amount**
30 September 2016	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Trade payables	119,237	-	-	-	119,237
Borrowings	-	1,444,905	15,718,336	2,388,854	19,552,095

Contractual maturities of financial liabilities (Group)	**Less than 6 months**	**6 – 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total contractual cash flows and carrying amount**
30 September 2016	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Trade payables	139,840	-	-	-	139,840
Borrowings	-	1,444,905	15,718,336	2,388,854	19,552,095

The N1 billion disclosed in the September 2016 borrowings time band '6 -12 months' relates to principal repayment in 2017 (2016 – nil).

4 Capital risk management

(a) Risk management
The group's objectives when managing capital are to
- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group monitors capital on the basis of the following gearing ratio:
- Net debt as per note 27 divided by total 'equity' (as shown in the balance sheet, including non-controlling interests).

In the period ended September 2016, the group's strategy was to maintain a gearing ratio within 20% to 30% and a B credit rating. The credit rating was unchanged and the gearing ratios at 30 September 2016 and 31 December 2015 were as follows:

	Group		Company	
	30 Sept 2016	31 Dec 2015	30 Sept 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
Net debt (note 27)	15,439,712	5,367,266	15,547,007	5,553,718
Total equity	54,818,505	52,145,150	55,221,436	52,559,239
Net debt to equity ratio	28%	10%	28%	11%

(i) Loan covenants
Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- Maximum net debt: EBITDA of 3.0 from the Issue date to the maturity date.
- Minimum historical Debt Service Coverage Ratio ("DSCR") to be maintained at 1.2 times. The DSCR would be calculated as (Cash Flow Available for Debt Service/Total Debt - Service net of available cash and cash equivalents);

- Minimum Interest Cover to be maintained at 2.0 times. This will be calculated as the historical EBITDA/Net Interest
- Secured indebtedness shall not exceed 50% of the Issuer's Net Asset determined on the basis of total assets less total

4.1 Recognised fair value measurements

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial assets and liabilities into the three levels prescribed under the accounting standards.

At 30 Sept 2016	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
		N'000	**N'000**	**N'000**	**N'000**
Investment properties	13	-	1,507,000	-	1,507,000
Total Non-financial assets		-	1,507,000		1,507,000

At 31 December 2015					
Investment properties	13	-	1,507,000	-	1,507,000
Total Non-financial assets		-	1,507,000	-	1,507,000

The group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.
There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the period.

ii) Valuation techniques used to determine level 2 fair values
The group obtains independent valuations for its investment properties at least annually.
At the end of each reporting period, the directors update their assessment of the fair value of its property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates.
The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

All resulting fair value estimates for properties are included in level 3 .The key inputs under this approach are the price per square metre from current year sales of comparable lots of land in the area (location and size).

Recognised fair value measurements (continued)

iii) Valuation processes
The group engages external, independent and qualified valuers to determine the fair value of the group's investment properties at the end of every financial year and for other land and buildings at least every three years.
As at 31 December 2015, the fair values of the investment properties have been determined by Ubosi Eleh & Company Estate Surveyors and Valuers.
In valuing the property, the valuers assumed :
i. That the title of the property is good and marketable;
ii. That the property is not adversely affected by or subject to compulsory acquisition, road widening, new proposal or planning scheme;
iii. that the property is free from all onerous charges and restrictions.

The basis of valuation is the market value that is the price, which an interest in a property might reasonably be expected to realize in a sale by private treaty assuming:
i. a willing buyer;
ii a reasonable period within which to negotiate the sale taking into account the nature of the property and the state of the market;
iii. values will remain static throughout the period;
iv. the property will be freely exposed to the market;
v. no account is to be taken of an additional bid by a special purchaser;
vi. no account is to be taken of expenses of realization, which may arise in the event of a disposal.

The investment property was carried at cost in prior period, being the year of acquisition.
The main level 3 inputs used by the group are derived and evaluated as follows:
- Leased Land – discount rates, terminal yields, expected vacancy rates and rental growth rates are estimated by Ubosi Eleh & Company Estate Surveyors and Valuers
The estimates are consistent with the valuer's experience and knowledge of market conditions.

4.2 Critical accounting estimates and judgements

Critical accounting policies and key sources of estimation uncertainty
The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances. The following discusses the most significant accounting judgments and estimates that the company has made in the preparation of the financial statements:

		Group		Company	
5	**Revenue**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**
	Rooms	7,347,431	7,096,889	7,058,376	6,887,687
	Food & beverages	3,136,494	2,511,865	2,920,333	2,328,579
	Shop rental	509,087	506,595	509,087	506,595
	Service charge	11,262	10,327	-	-
	Other operating revenue	466,657	336,753	451,424	323,479
		11,470,931	10,462,429	10,939,220	10,046,340

All the revenue was generated in Nigeria.

		Group		Company	
6	**Cost of sales**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**
	Rooms	18,786	15,987	-	-
	Food and beverage	902,600	693,834	804,029	607,711
	Other operating departments	24,288	20,826	24,288	20,826
	Staff costs	1,894,295	1,731,813	1,826,009	1,666,963
		2,839,969	2,462,460	2,654,326	2,295,500

		Group		Company	
7	**Administrative expenses**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**
	Staff costs	896,346	833,030	852,393	783,226
	Depreciation	718,578	769,936	636,072	663,862
	Auditors remuneration	11,712	15,000	462	15,000
	Management and incentive fees	907,285	806,363	907,285	806,363
	Professional fees	47,605	25,874	46,807	25,874
	Directors' remuneration	107,942	88,144	106,322	88,144
	Bank charges	19,812	27,222	17,301	26,518
	Repairs and maintenance	403,221	513,841	367,638	472,178
	Energy Cost	823,566	657,033	705,795	570,781
	Amortisation	9,643	-	9,643	-
	Travel & Accomodation	61,870	65,626	61,870	65,626
	Long service award	22,743	5,156	22,743	5,156
	Rent & Rates	27,985	61,900	27,985	61,900
	Hilton frequent Guest promo	195,065	205,121	195,065	205,121
	Insurance	118,168	121,365	118,168	114,623
	Group Services and Benefits	218,785	205,121	218,785	205,121
	Bank Card Charges	97,153	115,064	97,153	115,064
	Other operating expenses	813,943	714,424	775,086	671,358
		5,501,422	5,230,220	5,166,573	4,895,915

		Group		Company	
8	**Other operating income**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**	**30 Sept 2016 N'000**	**30 Sept 2015 N'000**
	Profit on fixed asset disposal	3,500	-	3,500	-
	Foreign exchange gains	347,008	377,130	347,008	377,130
		350,508	377,130	350,508	377,130
	Finance Income				
	Interest on bank deposit	446,949	275,947	446,169	273,292
		446,949	275,947	446,169	273,292

9 Income tax expense

	Group		Company	
	30 Sept 2016 N'000	30 Sept 2015 N'000	30 Sept 2016 N'000	30 Sept 2015 N'000
Income tax	1,176,141	1,008,550	1,176,141	1,002,744
Education tax	76,660	66,849	76,660	66,849
Deferred tax Income (Note 15)		-		-
	1,252,801	1,075,399	1,252,801	1,069,593

The movement in tax payable is as follows:	Group		Company	
	30 Sept 2016 N'000	31 Dec 2015 N'000	30 Sept 2016 N'000	31 Dec 2015 N'000
At 1 January	2,932,574	3,092,585	2,912,972	3,081,435
Opening balance adjustment	841	1,300	-	-
Provision for the period	1,252,801	1,901,697	1,252,801	1,894,545
Payment during the period	(2,596,579)	(2,063,008)	(2,576,136)	(2,063,008)
At end	1,589,637	2,932,574	1,589,637	2,912,972

A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate for the period ended 30 September 2016 and 30 September 2015 is shown in the table below.

	Group		Company	
	30 Sept 2016 N'000	30 Sept 2015 N'000	30 Sept 2016 N'000	30 Sept 2015 N'000
Profit before tax	3,926,997	3,422,826	3,914,998	3,505,347
Tax at Nigeria Corporation tax rate of 30% (2014: 30%)	1,176,141	1,008,550	1,176,141	1,002,744
Education tax	76,660	66,849	76,660	66,849
Tax losses for which no deferred income tax asset was recognised	-	-	-	-
Tax charge for the period	**1,252,801**	**1,075,399**	**1,252,801**	**1,069,593**

10 Property Plant and Equipment

Group	Freehold Land	Leasehold Building	Plant & Machinery	Capital work in progress	Computer Equipment and Furniture and Fittings	Motor Vehicle	Total
Cost	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
1 January 2015	31,358,513	15,451,750	2,629,862	1,535,322	2,387,878	417,325	53,780,650
Additions	3,639,500	115,451	375,898	10,938,590	257,154	149,008	15,475,601
Reclassifications	-	16,408	-	(16,844)	436	-	-
Write offs	-	13,782	520	-	(8,124)	-	6,178
Disposals	-	-	-	-	(1,151)	(92,435)	(93,586)
31 December 2015	**34,998,013**	**15,597,391**	**3,006,280**	**12,457,068**	**2,636,193**	**473,898**	**69,168,843**
1 January 2016	34,998,013	15,597,391	3,006,280	12,457,068	2,636,193	473,898	69,168,843
Additions	-	71,141	241,713	9,836,062	161,416		10,310,332
Disposals	-	-	-	-	-	(6,784)	(6,784)
30 September 2016	**34,998,013**	**15,668,532**	**3,247,993**	**22,293,130**	**2,797,609**	**467,114**	**79,472,391**
Accumulated depreciation & impairment losses							
1 January 2015	-	1,401,084	1,417,281	-	1,751,165	267,357	4,836,887
Charge for the year	-	364,703	410,622	-	197,471	69,191	1,041,987
Disposals	-	-	-	-	(1,151)	(92,003)	(93,154)
Impairment	-	4,853	36,791		(2,519)	9,859	48,984
31 December 2015	-	1,770,640	1,864,694	-	1,944,966	254,404	5,834,704
1 January 2016	-	1,770,640	1,864,694	-	1,944,966	254,404	5,834,704
Charge for period	-	279,015	203,661	-	179,710	56,192	718,578
Disposal	-	-	-	-	-	(6,784)	(6,784)
30 September 2016	**-**	**2,049,655**	**2,068,355**	**-**	**2,124,676**	**303,812**	**6,546,498**
Net Book value							
At 31 December 2015	**34,998,013**	**13,826,751**	**1,141,586**	**12,457,068**	**691,227**	**219,494**	**63,334,139**
At 30 September 2016	**34,998,013**	**13,618,877**	**1,179,638**	**22,293,130**	**672,933**	**163,302**	**72,925,893**

Company	Freehold Land	Leasehold Building	Plant& Machinery	Capital work in progress	Computer Equipment and Furniture and Fittings	Motor Vehicle	Total
Cost	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
1 January 2015	30,872,625	14,384,576	2,217,312	1,414,487	2,117,184	406,491	51,412,675
Additions	-	17,160	360,522	7,147,495	247,890	149,008	7,922,075
Write-offs	-	13,782	520		(8,124)	-	6,178
Reclassification	-	(436)	-	-	436	-	-
Disposals	-	-	-	-	(1,151)	(92,435)	(93,586)
31 December 2015	**30,872,625**	**14,415,082**	**2,578,354**	**8,561,982**	**2,356,235**	**463,064**	**59,247,342**
1 January 2016	30,872,625	14,415,082	2,578,354	8,561,982	2,356,235	463,064	59,247,342
Additions		70,471	237,315	9,836,099	155,207		10,299,092
Disposal						(6,784)	(6,784)
30 September 2016	**30,872,625**	**14,485,553**	**2,815,669**	**18,398,081**	**2,511,442**	**456,280**	**69,539,650**
Accumulated depreciation & impairment losses							
1 January 2015	-	1,306,695	1,229,664	-	1,530,301	258,265	4,324,925
Charge for the year	-	327,108	340,828	-	161,916	68,062	897,914
Write-off	-	4,853	36,791	-	(2,519)	9,863	48,988
Disposals	-	-	-	-	(1,151)	(92,003)	(93,154)
31 December 2015	-	1,638,656	1,607,283	-	1,688,547	244,187	5,178,673
1 January 2016	-	1,638,656	1,607,283	-	1,688,547	244,187	5,178,673
Charge for the period	-	248,951	167,820	-	163,729	55,572	636,072
Disposals	-	-	-	-	-	(6,784)	(6,784)
30 September 2016	**-**	**1,887,607**	**1,775,103**	**-**	**1,852,276**	**292,975**	**5,807,961**
Net Book Value							
At 31 December 2015	**30,872,625**	**12,776,426**	**971,071**	**8,561,982**	**667,688**	**218,877**	**54,068,669**
At 30 September 2016	**30,872,625**	**12,597,946**	**1,040,566**	**18,398,081**	**659,166**	**163,305**	**63,731,689**

11 Intangible Assets

	Group			Company
	Goodwill	Computer software	Total	Computer software
Cost	**N'000**	**N'000**	**N'000**	**N'000**
1 January 2015	1,974,756	98,182	2,072,938	86,899
Additions	-	16,242	16,242	16,242
Disposals	-	(821)	(821)	
31 December 2015	**1,974,756**	**113,603**	**2,088,359**	**103,141**
Balance at 1 January 2016	1,974,756	113,603	2,088,359	103,141
Additions	-	1,761	1,761	1,761
30 September 2016	**1,974,756**	**115,364**	**2,090,120**	**104,902**
Accumulated amortisation				
1 January 2015	-	43,301	43,301	38,953
Amortisation for the year	-	12,491	12,491	12,163
31 December 2015	**-**	**55,792**	**55,792**	**51,116**
Balance at January 1, 2016	-	55,792	55,792	51,116
Amortisation for the period	-	9,643	9,643	9,643
30 September 2016	**-**	**65,435**	**65,435**	**60,759**
Net Book Value				
31 December 2015	**1,974,756**	**57,811**	**2,032,567**	**52,025**
30 September 2016	**1,974,756**	**49,929**	**2,024,685**	**44,143**

The group determines at each reporting date whether there is any objective evidence that intangible assets are impaired. The remaining amortisation period for computer software cost is between 1 to 6 years. Goodwill is not amortised but tested for impairment annually. The group periodically evaluates its non- current assets for impairment, whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The group's judgements regarding the existence of impairment indicators are based on market conditions and operational performance of the business. Future events could cause management to conclude that impairment indicators exist.

12 Investment in Subsidiaries

	Company	
	30 Sept 2016	31 Dec 2015
	N'000	N'000
Transcorp Hotels Calabar Limited	3,529,781	3,508,621
Transcorp Hotels Port Harcourt Limited	-	20,000
Transcorp Hotels Ikoyi Limited	-	1,160
	3,529,781	**3,529,781**

Movement in investment in subsidiaries is analysed as follows:

	Company	
	30 Sept 2016	31 Dec 2014
	N'000	N'000
At beginning of period	3,529,781	3,508,621
Additions - cost	-	21,160
At end of period	**3,529,781**	**3,529,781**

Addition in the period relates to the capitalisation of cost incurred in the Transcorp Hotels Port-Harcourt and Transcorp Hotels Ikoyi projects.

13 Investment Property

Investment property as at 30 September 2016 relates to the 12,550.70 Square Meters of land at Ikegwerre street, Oromeruezingbu Village, Port Harcourt, Rivers State, Nigeria,

	Group		Company	
	30 Sept 2016	31 Dec 2015	30 Sept 2016	31 Dec 2015
	N'000	N'000	N'000	N'000
At beginning of year	-	1,138,164	1,507,000	1,138,164
Additions	-	407,000	-	407,000
Fair value loss on investment property	-	(38,164)	-	(38,164)
Transfer to property, plant and equipment	-	(1,507,000)	-	
Closing balance	**-**	**-**	**1,507,000**	**1,507,000**

14 Borrowings

	Group		Company	
	30 Sept 2016 N'000	31 Dec 2015 N'000	30 Sept 2016 N'000	31 Dec 2015 N'000
Unsecured and non- current bond	16,313,564	16,313,564	16,313,564	16,313,564
Unsecured and current bond	3,238,531	3,238,531	3,238,531	3,238,531
Total borrowings	**19,552,095**	**19,552,095**	**19,552,095**	**19,552,095**

The company issued:

The fair values of borrowings are based on cash flows discounted using a rate based on the borrowing rate of 16% and the rate used is the average interest rate obtainable from commercial banks.

Use of Proceeds:

N10 billion 7-year 16.00% fixed rate bonds

Purpose	Amount (N'000)	% of Net proceeds	Estimated completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	7,611,496	76%	April 2017
Construction of Multipurpose Banquet Hall in Transcorp Hilton Abuja	1,902,874	19%	December 2017
Cost of Issue	235,630	2%	Paid
Underwriting Fee	250,000	3%	Paid
	10,000,000	**100%**	

N9.758 billion 5-year 15.50% fixed rate bonds

Purpose	Amount (N'000)	% of Net proceeds	Estimated completion period
Upgrade and refurbishment of Transcorp Hilton Abuja	7,615,821	78%	April 2017
Construction of Multipurpose Banquet Hall in Transcorp Hilton Abuja	1,930,955	20%	December 2017
Cost of Issue	238,224	2%	Paid
	9,785,000	**100%**	

15 Deferred tax

Movements	Property, plant and equipment	Tax losses and provisions	Others	Total
Group				
At 1 January 2015	7,604,469	(123,540)	22,927	7,503,856
Charged /(Credited) to profit or loss	(151,137)	130,067	-	(21,070)
At 31 December 2015	7,453,332	6,527	22,927	7,482,786
At 1 January 2016	7,453,332	6,527	22,927	7,482,786
At 30 September 2016	**7,453,332**	**6,527**	**22,927**	**7,482,786**
Company				
At 1 January 2015	7,338,694	(123,540)	-	7,215,154
Charged /(Credited) to profit or loss	(107,915)	114,650	-	6,735
At 31 December 2015	7,230,779	(8,890)	-	7,221,889
At 1 January 2016	7,230,779	(8,890)	-	7,221,889
At 30 September 2016	**7,230,779**	**(8,890)**	**-**	**7,221,889**

16 Inventories

	Group		Company	
	30 Sept 2016 N'000	31 Dec 2015 N'000	30 Sept 2016 N'000	31 Dec 2015 N'000
Food and beverage	169,980	147,931	155,787	129,215
Fuel	51,968	36,824	51,968	36,824
Engineering spares	348,591	431,646	339,849	425,281
Guest supplies	104,224	104,676	97,353	96,531
	674,763	721,077	644,957	687,851
Less impairment	-	(29,635)		(29,635)
	674,763	**691,442**	**644,957**	**658,216**

All inventory are stated at cost. The cost of inventories recognised as an expense and included in 'cost of sales' amounted to N552million (Company N519million).

17 Trade and other receivables

	Group		Company	
	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Trade receivables	1,040,080	1,390,299	934,997	1,313,693
Less: Provision for impairment of trade receivables	(195,143)	(239,726)	(174,487)	(219,734)
Trade receivables - net	844,937	1,150,573	760,510	1,093,959
Prepayments	413,125	61,443	399,047	55,673
Due from related companies (Note 21)	7,248,709	9,131,486	7,618,587	9,653,654
Other receivables	936,075	754,551	899,230	707,571
	9,442,846	**11,098,053**	**9,677,374**	**11,510,857**

18 Cash and bank balances

	Group		Company	
	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Cash in hand	6,901	9,770	7,685	9,770
Cash in bank	4,105,482	14,175,059	3,997,403	13,988,607
	4,112,383	**14,184,829**	**4,005,088**	**13,998,377**

18.1 For the purpose of the cash flow statement, cash and cash equivalents comprise the

Cash and Bank balances	4,112,383	14,184,829	4,005,088	13,998,377
	4,112,383	**14,184,829**	**4,005,088**	**13,998,377**

19 Trade and Other Payables

	Group		Company	
	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Trade payables	139,840	311,808	119,237	283,699
VAT payable	28	73,585	28	73,585
Accrued liabilities	4,139,258	2,613,572	3,974,514	2,460,574
Dividend Payable	-	3,105,101	-	3,105,101
Due to related parties (Note 21.3)	43,173	79,014	21,329	84,942
Deposits from guests	136,676	123,244	136,676	123,244
WHT Payable	311,415	364,640	311,415	364,640
Unearned income	86,427	147,461	86,402	147,461
Total	**4,856,817**	**6,818,425**	**4,649,601**	**6,643,246**

20 Financial Instruments and fair values
Measurement Categories

The following table shows the carrying values of financial assets and liabilities for each of these categories at 30 September 2016 and 31 December 2015

Group

	30 Sept 2016 N'000	**31 Dec 2015 N'000**
Financial Assets	Loans and receivables	Loans and receivables
Trade and other receivables (excluding prepayment)	9,442,846	11,098,053
Cash and cash equivalents	4,112,383	14,184,829
	13,555,229	**25,282,882**

	30 Sept 2016 N'000	**31 Dec 2015 N'000**
Financial Liabilities	Other financial Liabilities	Other financial Liabilities
Trade payables and other liabilities	4,856,817	6,818,425
Accrued liabilities	19,552,095	19,552,095
	24,408,912	**26,370,520**

Company

Financial Assets	**Loans and receivables**	**Loans and receivables**
Trade and other receivables	9,677,374	11,510,857
Cash and cash equivalents	4,005,088	13,998,377
	13,682,462	**25,509,234**

Financial Liabilities	**Other financial Liabilities at Amortised Cost**	**Other financial Liabilities at Amortised Cost**
Trade payables	119,237	283,699
Intercompany payables	21,329	84,942
Borrowings	19,552,095	19,552,095
	119,237	283,699
	19,811,898	**20,204,435**

21 Related Party transactions

The parent company of the company is Transnational Corporation of Nigeria Plc. The company is owned by Nigerian citizens.
A number of transactions are entered into with related parties in the normal course of business. The volumes of related-party transactions, outstanding balances at the year-end, and relating expense and income for the year are as follows:

	Group		**Company**	
	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Transnational Corporation of Nigeria Plc (Holding Company)	1,637	13,746	1,637	13,746
Transcorp Powers Plc	2,913		2,913	
Afriland Properties Plc (Related Party)	-	-	-	-
Heirs Holdings (Related Party)	3,144	6,957	3,144	6,957
Avon Healthcare Limited (Related Party)	-	4,800	-	4,800

Period balances arising from sales/purchases of goods/services.

21.1 Receivables from related parties

Transnational Corporation Nigeria Plc (Holding company)	5,442,724	7,186,548	5,442,724	7,186,548
Due From-Heirs Holding Nigeria Limited	42,185	60,022	42,185	60,022
Due From-Transcorp Hotel Calabar-Subsidiary	-	-	378,507	517,677
Due From -Transcorp Ughelli Power Plant (fellow subsidiary)	1,501,863	1,861,450	1,501,863	1,861,450
Due From-Teragro Commodities Limited (fellow subsidiary)	-	6,241	-	6,241
Due from Transcorp Hotels Port Harcourt Limited	-		4,491	4,491
Due from Transcorp OPL 281 Limited (fellow subsidiary)	17,189	17,225	17,189	17,225
Due from intercompany projects	244,748	-	231,628	-
	7,248,709	**9,131,486**	**7,618,587**	**9,653,654**

21.2 Long term intercompany receivables

At beginning of period	-	-	3,564,516	1,616,010
Addition				
Transcorp Hotels Port Harcourt Limited	100,945	-	100,945	380,627
Transcorp Hotels Ikoyi Limited	1,429,165	-	1,429,165	1,567,879
At end of period	**1,530,110**	**-**	**5,094,626**	**3,564,516**

Long term Intercompany receivables relates to total amount incurred on on-going projects at Transcorp Hotels Port Harcourt and Transcorp Hotels Ikoyi Limited.

21.3 Payable to related parties

	Group		**Company**	
	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Payable to Transcorp Plc(Parent)	43,173	79,014	21,329	63,782
Transcorp Hotels Port Harcourt Limited	-	-		20,000
Transcorp Hotels Ikoyi Limited	-	-		1,160
	43,173	**79,014**	**21,329**	**84,942**

22 Staff numbers and costs

The table below shows the number of employees (excluding directors), who earned over N240,000 as emoluments in the period and were within the bands stated.

	Group		Company	
	30 Sept 2016 N'000	30 Sept 2015 N'000	30 Sept 2016 N'000	30 Sept 2015 N'000
Staff Numbers per Grade				
Managerial	32	32	32	32
Senior staff	177	152	147	143
Others	1,156	1,441	1,018	1,251
	1,365	1,625	1,197	1,426
N240,001-N500,000	606	812	506	627
N500,001-N1,000,000	519	589	481	589
N1,000,001-N2,000,000	171	163	149	149
N2,000,001-N4,000,000	35	30	30	30
Above N5,000,000	34	31	31	31
	1,365	**1,625**	**1,197**	**1,426**

Staff costs for the above persons (excluding Directors):

	Group		Company	
	30 Sept 2016 N'000	30 Sept 2015 N'000	30 Sept 2016 N'000	30 Sept 2015 N'000
Salaries and wages	2,669,662	2,442,212	2,561,277	2,327,558
Pension cost	120,979	122,631	117,125	122,631
	2,790,641	**2,564,843**	**2,678,402**	**2,450,189**
Analysis of staff costs:				
Cost of sales	1,894,295	1,731,813	1,826,009	1,666,963
Administrative and general expenses	896,346	833,030	852,393	783,226
	2,790,641	**2,564,843**	**2,678,402**	**2,450,189**

Emoluments of directors

	Group		Company	
The remuneration paid to the Directors of the Company was:	30 Sept 2016 N'000	30 Sept 2015 N'000	30 Sept 2016 N'000	30 Sept 2015 N'000
Salaries	48,510	48,510	48,510	48,510
Fees	47,206	47,206	47,206	47,206
	95,716	**95,716**	**95,716**	**95,716**
Amount paid to the highest paid director (excluding pension contributions)	26,352	26,352	26,352	26,352
Chairman's emoluments				
Fees	16,154	10,494	16,154	10,494
Others	1,125	1,125	1,125	1,125
	17,279	**11,619**	**17,279**	**11,619**

The number of directors of the company (including the highest paid Director) whose remuneration, excluding pension contributions in respect of services to the company fell within the following range:

	Group		Company	
	30 Sept 2016 Number	30 Sept 2015 Number	30 Sept 2016 Number	30 Sept 2015 Number
Less than N700,000	9	7	9	7
Over N700,000	2	2	2	2
	11	**9**	**11**	**9**

23 Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	30 Sept 2016 N'000	30 Sept 2015 N'000	30 Sept 2016 N'000	30 Sept 2015 N'000
Salaries and other short-term employee benefits	49,635	49,635	49,635	49,635
	49,635	**49,635**	**49,635**	**49,635**

24 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after taxation by the weighted average number of ordinary shares outstanding during the period. The adjusted EPS is calculated using the weighted

	Group		Company	
	30 Sept 2016	**30 Sept 2015**	**30 Sept 2016**	**30 Sept 2015**
Profit attributable to owners	2,674,196,300	2,347,427,300	2,662,197,000	2,435,754,000
Weighted average number of ordinary shares in issue	7,600,403,900	7,600,403,900	7,600,403,900	7,600,403,900
Basic Earnings per share (Kobo)	**35**	**31**	**35**	**32**
Diluted Earnings per share (Kobo)	**35**	**31**	**35**	**32**

	Group		Company	
	30 Sept 2016	**30 Sept 2015**	**30 Sept 2016**	**30 Sept 2015**
PAT (N'000)	2,674,196	2,347,427	2,662,197	2,435,754
Basic(kobo)	35	31	35	32
Diluted(kobo)	35	31	35	32

25 Share capital

	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Authorised:				
15,000,000,000 ordinary shares of 50k each	7,500,000	7,500,000	7,500,000	7,500,000

	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Issued, called up and fully paid				
7,600,403,900 ordinary shares of 50k each	3,800,202	3,800,202	3,800,202	3,800,202

Share premium	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
At 1 January	4,034,411	4,034,411
At 30 September	**4,034,411**	**4,034,411**

26 Cash generated from operating activities

	Group		Company	
	30 Sept 2016 N'000	**31 Dec 2015 N'000**	**30 Sept 2016 N'000**	**31 Dec 2015 N'000**
Profit before tax	3,480,048	3,146,879	3,468,829	3,232,055
Adjustment for non cash items				
Depreciation of fixed assets	718,578	769,936	636,072	663,862
Amortisation of intangible assets	9,643	-	9,643	-
Profit on disposal of property plant and equipment	(3,500)	-	(3,500)	
Other adjustments to reconcile expenses for the year to cash from operating activities				
Increase in investment in subsidiary	-	(4,106,062)	-	(4,106,062)
Decrease in debtors and prepayment	1,655,207	5,538,512	1,833,483	5,410,091
Increase/Decrease in long term receivables	(1,530,110)	1,616,010	(1,530,110)	1,616,010
Decrease in inventory	16,679	111,351	13,259	99,355
Increase/(Decrease) in trade payables	1,144,333	197,397	1,111,456	243,962
Net cash generated from operations	**5,490,878**	**7,274,023**	**5,539,132**	**7,159,273**

In the statement of cash flows, proceeds from sale of property plant and equipment comprise :

Net book amount	-	-	-	-
Profit on disposal of property plant & equipment	3,500	-	3,500	-
Proceeds from sale of property plant and equipment	**3,500**	**-**	**3,500**	**-**

27 Net debt reconciliation

Analysis of net debt and the movements in net debt for each of the periods presented.

	Group		Company	
	30 June 2016 N'000	**31 Dec 2015 N'000**		**31 Dec 2015 N'000**
Liquid investments				
Overdraft				
Borrowings – repayable within one year	3,238,531	3,238,531	3,238,531	3,238,531
Borrowings – repayable after one year	16,313,564	16,313,564	16,313,564	16,313,564
Gross debt	**19,552,095**	**19,552,095**	**19,552,095**	**19,552,095**
Gross debt – fixed interest rates	19,552,095	19,552,095	19,552,095	19,552,095
Cash and liquid investments	(4,112,383)	(14,184,829)	(4,005,088)	(13,998,377)
Net debt (See note 4)	**15,439,712**	**5,367,266**	**15,547,007**	**5,553,718**

28 Capital commitments

The group has committed capital expenditure up to N7.6 billion (2015: N13.3billion) for hotel expansion and upgrade.

29 Contingent liabilities

The group is involved in some legal action in the ordinary course of the business. Based on the advice from the group's legal counsel, the directors are of the opinion that the group has good defense against the claims and no material loss is anticipated.

30 Dividend per Share

No dividend was proposed in the period ended 30 September 2016.

31 Subsequent events

No subsequent events 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.

Transcorp Hotels Plc
Statement of Value Added

	Group				Company			
	2016 N'000	%	2015 N'000	%	2016 N'000	%	2015 N'000	%
Revenue	11,470,931		10,462,429		10,939,220		10,046,340	
Other income	797,457		653,077		796,677		650,422	
	12,268,388		11,115,506		11,735,897		10,696,762	
Bought in services								
- Foreign	(1,036,243)		(927,437)		(840,794)		(759,130)	
- Local	(690,829)		(618,291)		(560,530)		(506,086)	
	(1,727,072)		(1,545,728)		(1,401,324)		(1,265,216)	
Value added	**10,541,316**	**100%**	**9,569,778**	**100%**	**10,334,573**	**100%**	**9,431,546**	**100%**
Distribution								
Employees								
Salaries and benefits	2,790,641	26%	2,564,843	27%	2,678,402	26%	2,450,189	26%
Provider of funds								
Dividend	3,105,101	29%	2,812,149	29%	3,105,101	30%	2,812,149	30%
Government								
Taxation	1,252,801	12%	1,075,399	11%	1,252,801	12%	1,069,593	11%
The Future								
Depreciation	718,578	7%	769,960	8%	636,072	5%	663,861	7%
Retained profit	2,674,196	25%	2,347,427	25%	2,662,197	26%	2,435,754	26%
	10,541,316	**100%**	**9,569,778**	**100%**	**10,334,573**	**100%**	**9,431,546**	**100%**

Transcorp Hotels Plc
Five year Financial Summary

The Group

	30 Sept	31 December			
	2016	**2015**	**2014**	**2013**	**2012**
Balance sheet	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current assets	76,480,688	65,366,706	53,727,574	49,604,610	50,470,194
Current assets	14,229,992	25,974,324	15,896,273	16,985,474	11,264,473
Current liabilities	(9,684,985)	(12,989,530)	(10,367,921)	(15,477,800)	(10,112,811)
Non-current liabilities	(26,206,350)	(26,206,350)	(7,503,856)	(7,598,293)	(8,317,170)
Net assets	**54,819,345**	**52,145,150**	**51,752,070**	**43,513,991**	**43,304,686**
Capital and reserves					
Share capital	3,800,202	3,800,202	3,800,202	5,000	5,000
Share premium	4,034,411	4,034,411	4,034,411	-	-
Revenue reserves	46,983,892	44,309,697	43,917,457	43,508,991	43,299,686
Non-controlling interest	-	840	-	-	-
	54,818,505	**52,145,150**	**51,752,070**	**43,513,991**	**43,304,686**
	30 'Sept				
Comprehensive income	**2016**	**2015**			
Revenue	11,470,931	10,462,429	15,104,796	15,384,722	13,258,127
Profit before taxation	3,926,997	3,422,826	4,540,000	6,122,054	4,049,543
Taxation	(1,252,801)	(1,075,399)	(1,319,385)	(1,712,749)	(1,139,749)
Profit after taxation	2,674,196	2,347,427	3,220,615	4,409,305	2,909,794
Other comprehensive income for	-	-	-	-	180,919
Total comprehensive income for	2,674,196	2,347,427	3,220,615	4,409,305	3,090,713
Basic earnings per share (kobo)	**35**	**31**	**59**	**88,186**	**58,196**

Company

	30 Sept	31 December			
	2016	**2015**	**2014**	**2013**	**2012**
Balance sheet	**N'000**	**N'000**	**N'000**	**N'000**	**N'000**
Non-current asset	73,907,239	62,721,991	53,398,491	48,046,797	48,867,133
Current asset	14,327,419	26,167,450	16,073,951	18,343,977	12,610,725
Current liabilities	(9,477,769)	(12,794,749)	(10,167,820)	(15,362,959)	(10,166,454)
Non-current liabilities	(23,535,453)	(23,535,453)	(7,215,154)	(7,286,101)	(7,817,487)
	55,221,436	**52,559,239**	**52,089,468**	**43,741,714**	**43,493,917**
Capital and reserves					
Share capital	3,800,202	3,800,202	3,800,202	5,000	5,000
Share premium	4,034,411	4,034,411	4,034,411	-	-
Revenue reserves	47,386,823	44,724,626	44,254,855	43,736,714	43,488,917
	55,221,436	**52,559,239**	**52,089,468**	**43,741,714**	**43,493,917**

	30 Sept	30 Sept	31 December		
Comprehensive income	**2016**	**2015**	**2014**	**2013**	**2012**
	N'000	**N'000**	**N'000**	**N'000**	**N'000**
Revenue	10,939,220	10,046,340	14,486,575	14,768,454	12,755,193
Profit before taxation	3,914,998	3,505,347	4,645,971	6,163,838	4,250,106
Taxation	(1,252,801)	(1,069,593)	(1,315,681)	(1,716,041)	(1,151,081)
Profit after taxation	**2,662,197**	**2,435,754**	**3,330,290**	**4,447,797**	**3,099,025**