

Transcorp Power



# 2023 Annual Report & Financial Statements

*#PoweringProgress*

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# Corporate Information

Company Registration No.	RC 1067143
Registered Office	38 Glover Road Ikoyi, Lagos Nigeria
Plant address	Transcorp Power Plc. KM 20 Warri/Patani Expressway Ughelli Delta State, Nigeria

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Board of Directors	Mr. Emmanuel Nnorom	Chairman
	Engr. Peter Ikenga	Managing Director/Chief Executive Officer Appointed September 1, 2023
	Mr. Christopher Ezeafulukwue	Managing Director/CEO (Resigned on August 31 2023)
	Dr. (Mrs.) Owen D. Omogiafo, OON	Non-Executive Director
	Mr. Adim Jibunoh	Non-Executive Director
	Mr. Peter Hertog (Dutch)	Non-Executive Director
	Mr. Risqua Muhammed	Non-Executive Director
	Prof. Sylvester Monye, MFR	Non-Executive Director (Retired on November 30 2023)
	Engr. Vincent Ozoude	Non-Executive Director
	Engr. Charles Odita	Independent Non-Executive Director (Appointed on March 14 2024)
Ms Faith Tuedor-Matthews, OFR	Independent Non-Executive Director (Appointed April 1 2024)	

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Auditors	Messrs. Deloitte & Touche Chartered Accountants Civic Towers Plot GA 1 Ozumba Mbadiwe Avenue. Victoria Island, Lagos, Nigeria
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Principal Banker	United Bank for Africa Plc
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Company Secretary	Stanley Chikwendu 38 Glover Road Ikoyi, Lagos, Nigeria
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Registrars	Africa Prudential Plc 220B Ikorodu Road, Palmgrove, Lagos Nigeria
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Investors' Relations Officer	Evans Okpogoro P: +2348145652652 Email: <a href="mailto:investors.relations@transcorppower.com">investors.relations@transcorppower.com</a> Investor Relations Portal: <a href="http://www.transcorppower.com/tpl/investor-relations">www.transcorppower.com/tpl/investor-relations</a>
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# GETTING TO KNOW US



# Company Background

**T**ranscorp Power Plc (formerly Transcorp Power Limited), a subsidiary of Nigeria's leading diversified conglomerate, Transnational Corporation Plc ("Transcorp"), is Nigeria's leading power generation company providing quality and stable power to homes, communities, and businesses within Nigeria and the West-African subregion. Transcorp Power was founded on September 24, 2012, as Transcorp Ughelli Power Limited (TUPL).

During the privatization of the national electricity assets by the Federal Government of Nigeria in 2012, Transcorp Ughelli Power Limited (TUPL) emerged the preferred bidder, and eventually went ahead to acquire Ughelli Power Plc (UPP), a successor generation company to erstwhile Power Holding Company of Nigeria (PHCN) and the owner of the 972MW installed capacity Power Plant at Ughelli, Delta State, Nigeria ("Ughelli Power Plant").

Transcorp Power emerged from the merger of TUPL and UPP in November 2015. The merger unified the administration and operations of Transcorp's power division for increased efficiency. Transcorp Power went ahead to surpass the five-year performance target of 670MW set for it in 2013 by Federal Government of Nigeria through the Bureau of Public Enterprises, by increasing the available capacity of Ughelli Power Plant from 160MW to 701MW within a period of four years of taking over the Plant.

Transcorp Power joined the West African Power Pool (WAPP) in November 2018, and since then, has remained an active member of the regional electricity body, with the goal of exploring and maximizing the opportunities that abound in the market. The company is currently a member of the executive board of WAPP.

On December 19, 2023, the company held an Extraordinary General Meeting (EGM) and passed a resolution to convert the company from a Private Limited Liability Company to a Public Limited Liability Company, and the consequent change of name from Transcorp Power Limited to Transcorp Power Plc. At the same meeting, the company increased its share capital from ₦42,733,641.50 divided into 85,467,283 ordinary shares of ₦0.50 each to ₦3,750,000,000.00 divided into 7,500,000,000 ordinary shares of ₦0.50 each by the creation of an additional 7,414,532,717 ordinary shares of ₦0.50 each. Shareholders also approved that the shares of the company be listed on the Main Board of the Nigerian Exchange Group.

Transcorp Power is at the forefront driving Transcorp's strategic goal of providing 25% of power generation in Nigeria, through a combination of capacity expansion, brownfield acquisitions and investments in renewable energy.

Led by a committed, balanced, and experienced board of directors and management team, Transcorp Power has remained Nigeria's top power generation company.

# Our Plant Operations

**T**ranscorp Power Plc has eighteen (18) gas turbines of different capacities comprising twelve (12) Hitachi H25 gas turbines of 23.8MW capacity each and six (6) Frame 9E General Electric (GE) gas turbines of 100MW capacity each. The power plant is an open cycle natural gas fired power generating facility.

In each line of power generating units lies a gas turbine – (compressor, combustor, turbine) and a generator. Fuel gas and atmospheric air are the working fluids that drive the gas turbines. Air is admitted through the air intake and processing system, compressed by the air compressor, and channeled to the combustor where it mixes with the fuel gas for combustion. The combusted gas with high kinetic energy drives the turbine rotor which in turn drives the compressor and generator.

Here's a breakdown of the process:

**Air Intake and Processing:** The air intake system allows atmospheric air to enter the turbine. The incoming air goes through a processing system to remove impurities and ensure the air quality meets the turbine's requirements.

**Air Compression:** The filtered air is directed to the air compressor, where it undergoes compression. The compressor raises the air pressure, resulting in higher energy levels and a more favorable combustion environment.

**Combustion:** Fuel gas is mixed with the compressed air in the combustor. The mixture is ignited, leading to combustion. The fuel gas and air combination create a high-temperature, high-pressure gas flow.

**Turbine Operation:** The combusted gas, possessing substantial kinetic energy, drives the turbine rotor. As the gas flows through the turbine, it imparts rotational motion to the turbine blades. The turbine rotor is connected to both the compressor and the generator.

**Compressor and Generator Drive:** The rotational motion from the turbine rotor powers the compressor, which maintains the continuous flow of air for the combustion process. Additionally, the same rotational motion drives the generator, converting mechanical energy into electrical energy.

Excitation is induced in the generators, resulting in the production of electric lines of flux. This is achieved through the constant motion of the turbine rotor, which cuts across the generator-induced flux. According to Fleming's right-hand rule, this action generates an electromotive force (voltage).

The terminal voltage of our gas turbines is maintained at 11.5kV. To transmit the generated electricity efficiently, our generators are stepped up to either 132kV or 330kV at the switchyard. This step-up process increases the voltage level of the electricity for transmission purposes. The switchyard is equipped with adequate flexibility, including interbus connections, which enable the flow of power across both voltage levels within the switchyard.

Gas is Transcorp Power's major feedstock. Transcorp Power has the exclusive privilege of having two independent sources of gas supply to its Plant. This ensures stable power generation in the face of gas supply challenges. The two sources are the Ughelli East gas fields that supply natural gas directly to Transcorp Power and the NGICs ELPS line through which we get supply from Utorogu gas plant, and other contracted gas suppliers.

Our evacuation corridors include two (2) double circuit 330kV lines to Sapele and Benin, three (3) 132kV lines to Benin, Oghara, and Effurun, one (1) 132kV Transcorp-Isoko line under construction, and a future 330kV double circuit line from our Plant to Onne, Port Harcourt. These transmission infrastructures ensure continued evacuation of electricity from our Plant.

Through effective maintenance and upgrading programmes, Transcorp Power has continued to ensure optimal performance of its turbines.



# Our Purpose Statement

**“** *Improving Lives,  
Transforming Africa.*

## Our Core Values



### ENTERPRISE

Having the willingness and determination to do whatever it legitimately and ethically takes to get the job done. In a competitive business environment, what sets us apart is our individuality and a responsibility to take ownership of our deliverables and deliver innovative initiatives



### EXCELLENCE

Delivering in an outstanding manner, consistently. Excellence is a mantra embedded in the heart of every employee. We go several steps beyond the norm to deliver immeasurable value to our stakeholders.



### EXECUTION

A burning desire to always see things through to completion in a timely, efficient and effective manner. We believe in hard work and seeing ideas through from conception all through to achieving excellent results.

# Results at a Glance

Description	2023	2022	Inc/ (Dec)
	N'mn	N'mn	%
Gross Earnings	142,122	90,349	57
Cost of Sales	(66,700)	(48,147)	39
Gross Profit	75,422	42,202	79
Administrative Expenses	(8,663)	(5,709)	52
Profit /(Loss) before tax	52,763	28,618	84
Income tax	(22,530)	(11,335)	99
<b>Profit /(Loss) after tax</b>	<b>30,234</b>	<b>17,283</b>	<b>75</b>
Non-Current Assets	70,054	66,612	6
Current Assets	153,335	101,574	51
Total Assets	223,390	168,187	33
Share Capital	3,750	40	9,275
Shareholders' fund	57,862	37,963	52
<b>Basic Earnings per share (=N=)</b>	<b>92.25</b>	<b>218</b>	<b>(58)</b>
No. of Employees	184	183	1

# BOARD OF DIRECTORS



# Board Of Directors



**Mr. Emmanuel N. Nnorom**  
Chairman



**Engr. Peter Ikenga**  
Managing Director/CEO



**Dr. (Mrs.) Owen D. Omogiafo, OON**  
Non-Executive Director



**Mr. Adim Jibunoh**  
Non-Executive Director



**Ms. Faith Tuedor-Matthews, OFR**  
Independent Non-Executive  
Director



**Mr. Risqua Muhammed**  
Non-Executive Director



**Engr. Charles Odita**  
Independent Non-Executive  
Director



**Mr. Peter Hertog**  
Non-Executive Director



**Engr. Vincent Ozoude**  
Non-Executive Director

# Officers & Professional Advisers



#### **Group Company Secretary**

Stanley Chikwendu

#### **Registered Office**

38, Glover Road,  
Ikoyi, Lagos, Nigeria

#### **Plant Address**

Transcorp Power Plant  
KM 20 Warri/Patani  
Expressway Ughelli,  
Delta State, Nigeria

#### **Investors' Relations Officer**

Evans Okpogoro  
P: +2348145652652  
Email: [investors.relations@transcorppower.com](mailto:investors.relations@transcorppower.com)  
Investor Relations Portal: [www.transcorppower.com/tpl/investor-relations](http://www.transcorppower.com/tpl/investor-relations)

#### **Auditors**

Deloitte & Touche  
Civic Towers, Plot GA, 1 Ozumba  
Mbadiwe Avenue, Victoria Island,  
Lagos, Nigeria

#### **Bankers**

United Bank for Africa Plc (UBA)  
UBA House, 57, Marina,  
Lagos, Nigeria

#### **Registrars**

Africa Prudential Plc  
220B Ikorodu Road, Palmgrove,  
Lagos Nigeria

# Directors' Profile



**Mr. Emmanuel N. Nnorom**  
Chairman

Mr. Emmanuel N. Nnorom joined the Board on January 30, 2014. He is the Group Chief Executive Officer of Heirs Holdings Limited. He previously served as President/ CEO of Transcorp Plc, overseeing the Transcorp businesses, including Transcorp Power, Transcorp Hilton Abuja, Transcorp Hotels, Calabar and Transcorp Energy. Prior to joining Transcorp, Emmanuel held senior positions at Heirs Holdings and served as an Executive Director at United Bank for Africa (UBA) and Managing Director of UBA Africa, overseeing the Group's African subsidiaries and executing the corporate strategy in 18 African countries. Emmanuel is a qualified Chartered Accountant and brings over three decades of professional experience in the corporate and financial sector, working with publicly listed companies. He is an alumnus of Oxford University's Templeton College, a prize winner and Fellow of the Institute of Chartered Accountants of Nigeria. He is a Non-Executive Director of Transcorp Plc and also serves as Chairman of Transcorp Hotels Plc.



**Engr. Peter Ikenga**  
Managing Director/CEO

Engr. Peter Ikenga currently serves as the Managing Director and Chief Executive Officer of Transcorp Power Plc. As the MD/ CEO of Transcorp Power, he is resolutely committed to advancing the transformation of the Power Plant, with the ultimate goal of cementing it as the leading power generating plant in Nigeria and the broader West African region.

Prior to his appointment to Transcorp Power, he was the MD/ CEO of Transcorp Energy Limited, where he spearheaded the development of OPL 281 Asset for the Transcorp Group. Peter is a value-driven and result-oriented Oil, Gas and Power professional with a wealth of global experience, having directly developed or managed major oil, gas and power assets in multiple regions including Nigeria, Brazil, and United States of America.

He also served as Refining Director for Niger Delta Exploration and Production Limited and previously held senior technical, business, and commercial leadership positions in Shell including in new business/asset development, project management, engineering management and operations support.

Peter's industry experience spans upstream, midstream, and downstream oil, gas and power sectors.

Peter earned a Bachelor of Engineering degree in Electrical and Electronics Engineering from Federal University of Technology Owerri, Nigeria and a Master of Business Administration degree from the University of Texas at Austin, United States of America.



**Dr. (Mrs.) Owen D. Omogiafo, OON**  
Non-Executive Director

Dr. (Mrs.) Owen D. Omogiafo is the President and Group CEO of Transnational Corporation Plc (Transcorp), Nigeria's leading listed diversified conglomerate with investments in power, hospitality, and energy. She is the first female to hold this position. Before her appointment, she served as MD/CEO of Transcorp Hotels Plc where she was responsible for driving positive transformation both in Transcorp Hilton Abuja and Transcorp Hotels Calabar.

Owen is a multi-award-winning professional with over two decades of experience in organizational development, human capital management, financial services, change management, hospitality, energy, and strategy. She has held various high-profile roles throughout her career, including Chief Operating Officer at the Tony Elumelu Foundation, where she oversaw the \$100 million Entrepreneurship Program aimed at identifying, mentoring, and funding 10,000 entrepreneurs over 10 years. She has also worked as Director of Resources at Heirs Holdings Limited, a family-owned investment company chaired by Tony O. Elumelu. Her experience equally includes working as HR Advisor to the GMD/CEO at United Bank for Africa Plc, and as an Organization and Human Performance Consultant at Accenture, specializing in change management.

She holds a B.Sc. (Double Honours) in Sociology & Anthropology from the University of Benin, an M.Sc. in Human Resource Management from the London School of Economics & Political Science, a Doctorate Degree in Engineering from the Federal University of Petroleum Resources, Effurun and a Doctorate in Business Administration from the Edo State University, Uzairue. She is also an alumnus of the Lagos Business School and IESE Business School in Spain.

Owen is a member of the Chartered Institute of Personnel and Development, UK, a certified Change Manager with the Prosci Institute, USA, a member of the Chartered Institute for Personnel Management, Nigeria, a member of the Institute of Directors (IoD) Nigeria, and a member of the board of Afriland Properties Ltd.



**Mr. Adim Jibunoh**  
Non-Executive Director

Mr. Adim Jibunoh joined the Board on July 1, 2017. He is a First-Class graduate of Economics from the University of Port Harcourt and has a Master's in Business Administration from the University of Lagos. His career in the financial and non-financial services sector spans over three decades. The positions he has held include Executive Director at Standard Trust Bank Plc, the Chief Executive Officer of Continental Trust Bank, and President/CEO of Transnational Corporation Plc. Over the years, he has attended several trainings and courses both in Nigeria and abroad including Harvard Business School, Advanced Management Courses in Lagos Business School, IMD Switzerland, and Citibank.



**Ms. Faith Tuedor-Matthews OFR**  
Independent Non-Executive  
Director

Ms Faith Tuedor-Matthews, OFR is an accomplished and visionary leader with a career spanning over three decades in the financial sector. Her illustrious career began at UBA in 1984, where she embarked on her professional journey during her National Youth Service Corps (NYSC). She joined Ecobank Transnational Incorporated in 1991, where she rose to the position of General Manager. She returned to UBA in 2005 as an Executive Director and was subsequently appointed Deputy Managing Director in 2008. She left UBA in 2011 to assume the role of Group Managing Director & Chief Executive Officer of Mainstreet Bank Plc, a position she occupied till December 2014. She currently serves as the Chief Executive Officer of TEKLA Factoring & Finance Ltd (a CBN-Regulated Finance House).

Ms. Tuedor-Matthews is an alumnus of the Harvard Business School, BPP University Law School, London UK, Staffordshire University, Staffordshire, UK, and Aston University, UK, where she obtained an MBA in General Management. She is also a Chartered Banker.



**Mr. Risqua Muhammed**  
Non-Executive Director

Mr. Risqua Murtala Muhammed joined the Board on November 6, 2012. He graduated from University of Lagos with a B.Sc in Banking and Finance. He later went on to attain a Post Graduate Diploma in Business Administration at the Prestigious Cardiff Business School, University of Wales. Shortly after his Post Graduate qualification, he joined Asset Management Group as a Marketing Officer and rose to the Position of Executive Director of Marketing & Business Development before becoming the Group Managing Director of AMG Petroenergy Limited. Mr. Muhammed was Special Assistant to former President, Olusegun Obasanjo, on International Relations and Privatization. Mr. Muhammed is currently the Group Chief Executive Officer of AMG Petroenergy Group Limited.



**Engr. Charles Odit**  
Independent Non-Executive  
Director

Engr. Charles Odit has extensive professional experience spanning over 40 years, with over 30 of those years spent in senior and executive level positions in the Oil & Gas industry.

He is currently the Managing Director/Chief Consultant of Tibco Limited. Prior to this, he served as Vice President – Technical Operations at Nomier Group Holdings Limited. He had also served as the Group Managing Director at Midwestern Oil and Gas Ltd, Lagos, and has been the Group Chief Operating Officer at Notore Chemical Industries Limited. He spent his early career years at Shell Petroleum Development Company Limited, occupying various positions across operations, research, and drilling.

Mr Odit is an alumnus of the University of Benin, where he obtained B.Eng. (First Class Honours) and M.Eng. degrees in Chemical Engineering.

He is a Chartered Engineer and holds the Fellowship of the Nigerian Society of Chemical Engineers as well as the Nigerian Society of Engineers, amongst others.



**Mr. Peter Hertog**  
Non-Executive Director

Mr. Peter Hertog joined the Board on November 6, 2012. A Dutch National, he is the CEO of Thomassen Group of Companies, an energy supporting business for Africa, Middle East and Pakistani regions.

After obtaining his bachelor's degree in Mechanical Engineering in 1984, Peter started working for Thomassen International BV, The Netherlands, a globally operating OEM supplier of gas turbines and gas compressors to the electricity and oil & gas Industries. Thomassen also owns and operates specialized GT component repair workshop facilities located in Dubai as well as the Sultanate of Oman where Thomassen operates and maintains in excess of 1,500 MW of thermal power plants using GE-type gas turbines. Other power plant related investments include Karachi Electricity Supply Company (KESC) a privatized utility company in Pakistan, producing 2,300MW of electrical power for the Capital Karachi in the province of Sindh. Peter was a member of the Board of Directors of KESC from the date of privatization in December 2005 till May 2009.



**Engr. Vincent Ozoude**  
Non-Executive Director

Engr. Vincent Ozoude is the MD/CEO of Transafam Power Limited. He was appointed on February 1, 2021 to lead the newly acquired 966MW Power generation asset located in Afam, Oyigbo Rivers State. He is leading the ongoing transformation of the Transafam Power Limited into a notable leading power generation company in Nigeria and West Africa. Prior to this role, Vincent was the Services Sales Director covering entire Sub-Saharan Africa for General Electric Power Generation Services portfolio, a role he managed for two years. Vincent has 15 years work experience in General Electric International Operations with vast experience in the various business segments such as services, operations, sales and commercial segments of the business. Vincent led numerous successful complex projects while in the GE service arm, such as the first Gas Turbine modular change out (Flange to Flange replacement) on a Frame 7EA Train 1 production plant at Nigeria Liquefied Natural Gas complex in Bonny Island. He won numerous awards such as Everyday Excellence Expertise Award from GE Global leadership, Clear Thinker Award and Imagination and Courage Award for always executing with integrity by the Power Services Africa, India & Middle East (AIM Region) leadership.

With over 20 years' work experience, Vincent holds a degree in Chemical Engineering from Enugu State University and is currently completing an M.Eng in Chemical Engineering from the same Institution. He is a member of the Nigeria Society of Engineers (NSE), Council for the Regulations of Engineering in Nigeria (COREN) and is Green belt (lean six sigma) certified.

# MANAGEMENT PROFILE





**Engr. Peter Ikenga**  
Managing Director/CEO

Engr. Peter Ikenga currently holds the position of Managing Director and Chief Executive Officer at Transcorp Power Plc.

Before joining Transcorp Power, he served as MD/CEO of Transcorp Energy Limited, overseeing the development of the OPL 281 Asset within the Transcorp Group, with extensive experience in the Oil, Gas, and Power sectors. His career includes leadership roles in various regions, including Nigeria, Brazil, and the United States.

His professional journey includes a tenure as Refining Director at Niger Delta Exploration and Production Limited, along with senior positions at Shell, where he contributed to new business/asset development, project management, and operations support.

His expertise spans upstream, midstream, and downstream segments of the oil, gas, and power industries. He holds a Bachelor's degree in Electrical and Electronics Engineering from the Federal University of Technology Owerri, Nigeria, and a Master of Business Administration from The University of Texas at Austin, USA.



**Oluwaseun Fadare**  
Chief Technical Officer

Oluwaseun is the Chief Technical Officer of Transcorp Power. Prior to joining Transcorp Power, he served as the Ag. Chief Operating Officer of Olorunsogo Generation Company Limited. He also worked as an Operations and Maintenance (O&M) Manager (Plant Manager) and COO support of Benin Generation Company Limited, Ihovbor, Edo State, as Shift lead and training officer at Omotosho Power Station, Omotosho, Ondo State, and a mechanical maintenance engineer at Kainji Hydro Electric Plc, Kainji in Niger State.

Oluwaseun has extensive experience in engineering, maintenance, and operations. His areas of specialisation include managing the operations and maintenance of gas turbine thermal power plants, as well as hydropower generation systems.

He holds a Ph.D. Technology Management, an M.Sc. Technology Management and B.Sc. Mechanical Engineering, all from Obafemi Awolowo University, Ile-Ife Nigeria. He also holds a certificate in sustainable Business Strategy from Harvard Business School. He is a Fellow of the Nigerian Institution of Power Engineers (NIPE), a Corporate Member of the Council for Regulation of Engineers in Nigeria (COREN), and a Member of the Nigerian Society of Engineers (NSE).



**Evans Okpogoro**  
Chief Finance Officer &  
Head Investor Relations

Evans is the Chief Finance Officer of Transcorp Power Plc. Prior to joining Transcorp Power, Evans was the Financial Controller, WhiteDove Shipping Company Limited (a subsidiary of Nestoil) and has served in different capacities in Nestoil and its subsidiaries. He also served in other various reputable organizations like Keystone Bank, Kedari Capital Limited, and ServArmour Limited.

He is a Chartered Accountant with 16 years of experience in the Financial Services and Oil & Gas sector. He specialises in Audit, Financial Reporting, Business Intelligence, Partnership and Decision Support, IFRS, Tax, Business Performance Improvement, Budgeting and Control, Business Planning and Analysis, Business Development and Strategy, Project Management, Treasury, and Risk Management. He earned a B.Sc. in Accounting from Delta State University. He holds an MBA in Finance from Obafemi Awolowo University and is a fellow of the Institute of Chartered Accountants of Nigeria (FCA) and the Institute of Chartered Taxation of Nigeria (FCTI).



**Stanley Chikwendu**  
Company Secretary &  
Head, Legal

Stanley is a distinguished legal and corporate governance professional, with experience across diverse sectors including financial services, real estate, energy, and hospitality. Prior to joining the Company, he was the Company Secretary and Head of Legal at Heirs Life Assurance Limited, a member of the Heirs Holdings Group. He also served as Company Secretary and Head of Legal and Corporate Services at both Law Union & Rock Insurance Plc and Tangerine General Insurance Limited. He is an alumnus of the University of Ibadan, Nigeria, the University of Leicester, England, and the Lagos Business School. He is a Chartered Secretary, and a member of the Nigerian Bar Association, International Bar Association, and Association of Corporate Counsel.



**Deshola Shittu**  
Head, Marketing and  
Corporate Communications

Deshola is an accomplished Marketing and Corporate Communications professional, with experience across diverse sectors including financial services, hospitality and energy.

Prior to joining the Company, she served as the Head of Digital & Insights for Coronation. She also worked as the Head of Digital Media at United Bank for Africa (UBA) where she worked on different marketing strategies and digital initiatives to transform the bank's perception and grow its customer base. She was a member of the Marketing team at Interswitch – Verve International, where she was very instrumental in driving direct marketing and customer engagement. She has also worked with Keystone Bank and Cushion the Impact, a PR agency in the UK.

She has over 15 years of hands-on experience across diverse sectors including Financial Services, Hospitality, and Power. She has a strong background in strategic marketing, digital marketing, and corporate communications. She has also worked as a Project Manager in multi-location and cross-functional contexts. She holds a Bachelor of Science in Marketing from Babcock University, a Post Graduate Diploma from the Nigerian Institute of Marketing, and an MA in Marketing Communications from the University of Westminster. She is also a Google AdWords Certified Professional.



**Ose Ikhiseomon-Oje**  
Head, Human Resources

Ose is the Head of Human Resources at Transcorp Power Plc. He is passionate about people and connecting their professional aspirations with the corporate objectives of their employers.

Prior to joining the Company, he worked with Doheney Services Limited, a Human Resources Management consulting company before moving on to Nosak Group in Lagos State. He also served as HR Manager for Macmahon Contractors, an Australian Mining/Construction Multinational before moving on to African Pits & Quarries Limited. He is well-versed in Nigerian and international labour laws and regulations and has extensive experience in training, coaching, mentoring, office administration, performance evaluation, and apprenticeship or graduate trainee program establishment and management.

He holds a Bachelor's degree in Agricultural Economics from Ambrose Alli University, Ekpoma, Edo state, and an M.Sc in Economics from the University of Lagos. He is also an associate member of the Chartered Institute of Personnel Management of Nigeria.



**Sade Fagbola**  
Head, Supply Chain

Sade Fagbola is the Head of Supply Chain Management at Transcorp Power Plc. Prior to her appointment, she served as the Regional Supply Chain Lead (Nigeria & Tanzania) at Jaza Energy, where she was responsible for the procurement and importation of Jaza hub components from local suppliers and global OEMs for Nigeria and Tanzania.

She has over 20 years of hands-on experience in leading end-to-end supply chain functions. Adept at navigating the complexities of local and international supply chain operations across diverse industry sectors, she has a proven track record of driving efficiency, cost reduction, and process optimisation.

She is very passionate about supply chain management and amongst her most recent achievements is supply chain lead in several major mini-grid projects in Nigeria including the REA sponsored electrification of 7 major Nigerian markets and procurement lead in The Demand Aggregation for Renewable Technology (DART) Program.

She holds a first degree in Geography and regional planning from Olabisi Onabanjo University, Nigeria, and an MBA from Leeds Beckett University, U.K.

She is a member of the Institute for Supply Management (ISM) and a yearly speaker at the annual Nigerian Breweries Limited Sponsored Women in STEM, encouraging young female graduates to consider a career in Supply Chain.



**Oluwafemi Sogunle**  
Head, Internal Audit

Oluwafemi is the Head of Internal Audit for Transcorp Power Plc. He provides high-level strategic support to our Executive Management. He possesses over 13 years of professional experience across various fields.

Prior to joining Transcorp Power, he worked at Food Concepts Plc as an Internal Audit Manager, Law Union and Rock Insurance Plc (now Tangerine General Insurance) as an Internal Audit Associate and Olajide Oyewole LLP (a member of DLA Piper Africa) as a Financial Accountant amongst others.

His core competencies are internal audit, control, compliance, risk management, accounting advisory and corporate governance. Oluwafemi holds a B.Sc. degree in Accounting (Second class upper) from the University of Lagos Akoka, He is an Associate of the Institute of Chartered Accountants of Nigeria (ACA) and a member of the institute of internal Auditors (IIA).

A portrait of a middle-aged Black man with glasses, wearing a dark blue pinstriped suit jacket, a white shirt, and an orange striped tie. He is smiling slightly and looking directly at the camera. The background is a light gray gradient with a white square in the top left corner. The text "Chairman's Statement" is overlaid in large white font at the bottom of the image.

# Chairman's Statement

Distinguished Shareholders, Directors, representatives of regulatory agencies present, the press, Ladies and Gentlemen, it is with great pleasure that I welcome you, on behalf of the Board of Directors, to the 11th Annual General Meeting of Transcorp Power Plc (“Transcorp Power” or the “Company”) and the presentation of the Annual Report and the Audited Financial Statements for the year ended 31st December 2023.

I am also delighted that this will be the first AGM as a Plc after your company was listed on Main Board of the Nigerian Exchange (NGX) on the 4th of March 2024. We welcome our new shareholders to the company. This feat was achieved through the hard work and tenacity of management under the visionary guidance of our board and support of regulators.

I hereby present the company’s operating results and key achievements for the financial year ended 31 December 2023 to all our esteemed shareholders.

## A DECADE OF IMPACT

Transcorp Power was borne out of Transcorp Group’s drive to fulfil its purpose of improving lives and transforming Africa by investing in strategic sectors of the economy that can catalyse growth.

Transcorp Power Plc, a subsidiary of Africa’s leading, listed, diversified conglomerate, Transnational Corporation Plc (“Transcorp”) owns Nigeria’s largest gas-fired open cycle power generating station in the country. The 972MW installed capacity Power Plant is located at Ughelli, Delta State, Nigeria leading the way in energy generation for millions of people in Nigeria and Africa.

Transcorp Power was founded on September 24, 2012, as Transcorp Ughelli Power Limited (TUPL), having emerged as the preferred bidder during the privatisation of the national electricity assets by the Federal Government of Nigeria.

Your company went ahead to surpass the five-year performance target of 670MW set for it in 2013 by the Federal Government of Nigeria through the Bureau of Public Enterprises (BPE), by increasing the available capacity of Ughelli Power Plant from 160MW at the date of handover to 701MW within a period of four (4) years of taking over the Plant.

Your Company joined the West African Power Pool (WAPP) in November 2018, and since then, has remained an active member of the regional electricity body, with the goal of exploring and maximizing the opportunities that abound in the market. In November 2023, your Company was inducted into WAPP’s Executive Board.

Your company has grown impressively over the last decade, becoming one of the leading power companies in the country. In May 2023, Transcorp Power became the first power generation company to be discharged

from post-privatisation monitoring by the Bureau of Public Enterprise (BPE), having met, and surpassed the requirements of the post-acquisition plan (PAP) compliance.

## 2023 MACROECONOMIC REVIEW

Our operating environment in the year 2023, was characterised by twists and turns with various macro-economic challenges including rising inflation, increased cost of borrowing, removal of fuel subsidy and shift to floating exchange rate, leading to Naira devaluation and shortage of foreign exchange.

Nigeria’s inflation rate rose to 28.92% in December 2023 from 21.34% in December 2022, according to data from the National Bureau of Statistics. To address the persistent inflationary pressures in the country, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) raised the Monetary Policy Rate (MPR) to 18.75% in the second quarter of 2023 which was the last MPC meeting between 24th and 25th July 2023 for the financial year 2023.

Nigeria’s Gross Domestic Product (GDP) grew by 2.74% in 2023 relative to 3.10% in 2022, the National Bureau of Statistics (NBS) said. The statistics body further said in Q4, the country’s nominal GDP stood at N65.9 trillion higher than the 60.5 trillion recorded in Q3 2023.

## HIGHLIGHTS OF 2023 FINANCIAL PERFORMANCE

It is with great delight that I present the full year results for your review which showed the resilience of the business in what has been a very challenging period. Your Company posted an impressive revenue of N142.1 billion in 2023 compared to N90.3 billion in 2022. Operating profit of your Company for the year under review was N64.63 billion compared to N35.87 billion in 2022. Your Company’s profit before tax increased from N28.6 billion in 2022 to N52.8 billion in 2023 representing an 84% growth.

Furthermore, the board of directors have proposed a final dividend of N3.13k per share for your approval.

## SIGNIFICANT ACHIEVEMENTS IN 2023

I am delighted to report that your Company significantly paid down its foreign exchange (FX) acquisition loan from \$215 million in 2014 to \$1.6 million as at the end of FY 2023, but fully paid on 9th January 2024.

We continued to maintain a highly motivated work force by prioritising the resolution of employee-related issues, sustaining a safe and conducive work environment, robust but fair performance evaluation system, trainings, and numerous bonding activities. All this we did while maintaining our impeccable safety records.

## MAJOR DEVELOPMENTS IN THE POWER SECTOR IN 2023

Power sector remains the single most critical sector to the development of the Nigerian economy. In 2023, stakeholders and operators continued to engage and collaborate towards addressing the myriads of challenges facing the sector.

## ELECTRICITY ACT

The Electricity Act (EA) 2023 effectively repealing the Electricity Power Sector Reform Act (EPSRA 2005) was signed into law in June 2023. The primary objective of the Electricity Act (EA 2023) is to provide a comprehensive legal and institutional framework to guide the operation of a privatised, contract and rule-based competitive electricity market in Nigeria. Furthermore, the Act aims to attract through transformative policy and regulatory measures, private sector investments in the entire power value chain of the Nigerian Electricity Supply Industry (hereinafter referred to as “the NESI”).

The Act further provides a holistic, integrated resource plan that compels the utilisation of renewable and non-renewable energy sources for power supply in the country and attracts investments into the sector.

The EA 2023 also empowers states of the Federal Republic of Nigeria to create their electricity market and establish their state regulatory boards to oversee electricity activities within their jurisdiction.

The EA 2023 is undoubtedly the game changer in delivering an optimal electricity market in Nigeria.

## BILATERAL ARRANGEMENT

The power sector regulator, Nigerian Electricity Regulatory Commission (NERC), through regulatory instruments, introduced the Bilateral Arrangement and on the 26th of April, 2023. NERC notified selected Generating Companies (GenCos) including Transcorp Power, Distribution Companies (DisCos), Nigerian Bulk Electricity Trading (NBET) Plc and System Operator that it had mandated three (3) DisCos (Eko, Ikeja and Abuja) to commence bilateral engagements and negotiations with GenCos.

The bilateral engagements are expected to result in the execution of firm contracts with requisite obligations on the parties through amendments/addendum to existing Power Purchase Agreements (“PPA”).

## WEST AFRICAN REGIONAL ELECTRICITY MARKET

During the year under review, your Company was appointed to the Executive Board of the West African Power Pool (WAPP). Coupled with the fact that Transcorp Power has been an active member of WAPP, Transcorp Power is further positioned to become a dominant

player in the regional electricity market, particularly with planned synchronisation of transmission systems across member countries scheduled for the fourth quarter of 2024.

## LISTING ON MAIN BOARD OF THE NIGERIA STOCK EXCHANGE

Your Company's shares were listed on the Main Board of the Nigerian Exchange Limited (NGX Exchange) on 4th March 2024 at a historic ceremony that included sound the gong on the main trading floor and facts behind the listing presentation. The list price of N240 per share resulted in a market capitalization of N1.8 trillion Naira. The free float of the company as at the date of listing March 4, 2024, was 654,801,359. Since the listing, the share price has increased, rising from N240.00k on March 04 and sustained its rally.

This event has opened the opportunity to further diversify and grow your Company's shareholder base and positioned your Company to access capital in the future from the Nigerian Equities Market.

## OUTLOOK FOR 2024

The International Monetary Fund (IMF) has reduced its 2024 forecast for Nigeria's economic growth to 3% down from its 3.1% projection in October 2023. According to PWC, Nigeria's GDP may grow marginally by 3.1% on the back of sustained policy reforms albeit growth prospects may be limited by elevated economic pressures.

Fiscal sustainability concerns may remain slightly elevated given debt servicing costs (89% of the budgeted fiscal deficit is to be financed by new borrowings). Inflation is expected to decline marginally, balancing the effects of reforms, policy actions, external pressures and food prices.

## IMPACT AND IMPLICATIONS OF 2024 OUTLOOK ON BUSINESSES

We expect an improved stability in the foreign exchange market in the second half of the year which will likely lead to a reduction in the cost of imported raw materials and finished goods.

The expected marginal decline in inflationary growth may lead to a slight reduction in Selling, General, and Administrative (SG&A) expenses in the medium term.

Continued tightening of monetary policy rate may keep borrowing costs elevated in the short term.

## CHANGES TO BOARD OF DIRECTORS

In 2023, there were changes to membership of our Board of Directors, as the previous MD/CEO, Chris Ezeafulukwe resigned his appointment on the 31st of August 2023 and Peter Ikenga was appointed the MD/CEO effective September 1, 2023. Additionally, Prof. Sylvester Monye, MFR retired from the Board, having served for the maximum tenure of Nine (9) years as an Independent Non-Executive Director on 30th November 2023, in compliance with the Board Governance Charter of the Company.

I wish to thank Chris Ezeafulukwe and Prof. Monye for their invaluable years of service to the Company and dedication during their tenure. We wish them the best in all their future endeavours. The contributions of both directors in strengthening sound corporate governance and business outcomes in the Company during the year under review, is highly appreciated.

It also gives me great pleasure to announce the appointment of Mr. Charles Chiedu Odita and Ms. Faith Tuedor-Matthews, OFR both as Independent Directors of the Company subject to your approval at the 11th Annual General Meeting. Both directors come with excellent credentials, a huge wealth of experience and make a great addition to the board. These appointments are a testament to our strong corporate governance practices and will no doubt further enhance the independence of the board, improve diversity and strengthen the board's ability to continue to discharge its duties in a dynamic operating environment.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

During the year under review, Transcorp Power remained committed to integrating Environmental, Social and Governance (ESG) responsibility into our business strategy. Your Company actively supported our host communities through investments, corporate social responsibility as well as being very involved in their development. As a responsible and responsive corporate citizen, we continued to take into cognizance the impact our operations could have on society, particularly environmental, social and governance.

Along this line, we ensured that we went beyond regulatory requirements to meet standards that will enable us to continue to fulfil our corporate purpose of improving lives and transforming our continent.

We continued our excellent implementation of the provisions of the memorandum of understanding (MOU) with our host communities. During the year under review the Company carried out youth and entrepreneurial development, infrastructure improvement, vocational skill acquisition, provision of security vehicle and fencing of school.

## CONCLUSION

Despite the severe macro-economic challenges in the financial year 2023 your company attained remarkable successes, from paying down our FX loan to delivering outstanding financial and operational performance through a highly motivated workforce and well implemented strategies.

I want to sincerely thank our shareholders and stakeholders for your support and encouragement over the years and the Board of Directors and executive management and employees of Transcorp Power for their unwavering support and dedication during the year.

I strongly believe that we have laid a solid foundation for the future that will form the springboard to continuously deliver greater value to our esteemed shareholders and stakeholders.



**Emmanuel N. Nnorom**

**Chairman, Board of Directors**

**FRC/2014/PRO/DIR/003/00000007402**

A professional portrait of a Black man with a grey beard, wearing a dark blue suit jacket, a white shirt, and an orange tie. He is looking directly at the camera with a slight smile. The background is a light grey gradient. In the top left corner, there is a large orange graphic element consisting of a square and a rectangle. The text 'CEO's Message' is overlaid in the bottom left of the image.

# CEO's Message

Esteemed Shareholders, Ladies and Gentlemen, I am pleased to report that 2023 was a year of significant achievements across our company. It was a year marked by strong financial performance, excellent operating results, and record revenue generation for the fifth consecutive year. It was a year that also saw greater collaboration across our teams and deeper commitments to the communities in which we live and work, consolidating the solid foundation we have continued to lay for a greater future for the company.

During the year under review, Transcorp Power Plc became the first successor power generation company in Nigeria to be discharged from post-privatisation monitoring by the Bureau of Public Enterprise (BPE), having surpassed the performance targets set for company by the National Council on Privatisation (NCP) as part of the privatisation terms in 2013.

Also, in the year under review, we marked our 10th year anniversary with fanfare, and paid tribute to our staff and host communities for their contributions to our success. I am immensely proud of our team's dedication and the milestones we have achieved in the first decade of our existence.

Fiscal year 2023 was a year of enormous change. We saw continued economic growth coming out of the COVID-19 pandemic and the pace of technological development accelerate, including generative Artificial Intelligence (AI), which has emerged as a once-in-a-generation innovation that continues to reshape the business scene creating opportunities for efficiency gains at a large scale but with attendant risks that are still being evaluated.

Geopolitical conflicts around the globe continued to dominate with the attendant impact on economic uncertainty around the world. Rise in inflation on the global landscape and poor economic growth in most economies continued to take its toll on global output.

At the national level, we had a successful transition of power following the conclusion of the presidential and gubernatorial elections. A number of policies by the new administration had immediate impact on the macroeconomic space. The removal of fuel subsidy, floating of the Naira in an effort to harmonise the exchange rate have ultimately resulted to rising inflation and interest rates which impacted on operational costs during the year. The Electricity Act was signed into law, essentially paving the way to liberalising the power sector.

Our business stayed dogged and resilient in the face of these global and national challenges translating to superlative operational and financial results.

## OPERATIONAL HIGHLIGHTS

We started the year with an available capacity of 370 mega-Watts (MW) and closed the year with an available capacity of 500MW. Our total energy exported on the grid for 2023 was 3,136,321.10 MWH.

Our strategic imperatives for the year included the recovery of plant available capacity, strong drive to improve operational excellence and improved plant efficiency, rigorous implementation of plant maintenance plans, continued investment in human capital and push to enhance in-house human capacity and capabilities. We also set out to achieve cost optimization, strong focus on Environment, Social and Governance (ESG) practices, strong stakeholder engagement, deepen our cross-border sales of electricity and reduce the level of stranded capacity within our plant.

These efforts paid off significantly, impacting our overall results for 2023. We successfully completed the first generator disassembly for a Major Inspection on GT-18 by our inhouse multidisciplinary team showcasing the level of human capital development within our organisation.

Our plant continued to provide the most reliable black start services to the national grid thereby helping in grid stabilization, and significant reduction in down time in times of grid disturbances. Through effective engagement with key stakeholders, a second inter-bus transformer of 150MVA capacity is being installed in TCN's switchyard in our plant, thus improving the reliability of our plant and providing more flexibility in evacuating our generation.

Transcorp Power has been an integral part of our host communities, with several community-based projects aimed at improving livelihoods including a vocational skills acquisition program that has empowered over 200 recipients. The Transcorp Staff School currently serves the community as well as our employees, guaranteeing a higher quality of education for the children in the community and remains one of the top performing schools in Delta state.

We are delighted to announce that our company has achieved significant milestones in our partnership with Société Beninoise d'Energie Electrique (SBEE) of the Republic of Benin. Through our unwavering commitment to excellence, we have increased the energy sold to SBEE. Cross-border electricity sales accounted for 18% of revenue in 2023, up from 13% in 2022. Transcorp Power was also appointed member of the Executive Board of the West African Power Pool (WAPP) at the 18th Session of the WAPP General Assembly, which was held on November 10, in Nouakchott, Mauritania.

Furthermore, Transcorp Power also won multiple international awards, including the Leading Power Generation Company Nigeria 2023 (International Business Magazine Awards 2023), and Most Sustainable Power Company in Nigeria, 2023 (2023 World Business Outlook Awards). These are but a few key milestones and accomplishments in 2023 and were only made possible by the immense contributions, dedication, and hard work of our team with the strong support of our Board of directors.

## FINANCIAL PERFORMANCE REVIEW

Fiscal Year 2023 marked a year of strong financial performance amid much uncertainty in the macroeconomic environment. We drove operational output in the plant and increased cross-border energy sales, all of which enabled us to deliver N142 billion in revenues, a significant increase of 57% compared to 2022. Operating Expenses saw an increase of 70% year on year, totalling N10.8 billion in 2023, reflecting the impact of inflation. Net Finance Cost increased by 64% to N11.86 billion, on account of foreign currency loans that has now been fully paid down.

Operating profit margin grew to 45% compared to 40% in 2022, while gross profit margin climbed to 53% compared with 47% in 2022. Profit before Tax surged by 84%, amounting to N52.8 billion in 2023, compared to N28.6 billion in the same period last year. The increase in profit is largely due to increase in tariff, operational efficiency gains and cost optimization in the year. Profit after Tax improved 75% year-on-year to N30.2 billion from N17.3 billion in the same period last year. Total assets grew by 33% to N223.4 billion in full year 2023, up from N168.2 billion in December 2022.

Other key financial ratios for financial year 2023 include cost to income ratio of 63%, debt to asset ratio of 16.7% and debt to equity ratio of 64%. Interest cover was 8 times, return on equity was 52% and return on asset 13.53%, showing strong financial stability for the business.

## WINNING THE FUTURE: OUTLOOK

At the core of our goals for 2024 and beyond is the belief that safe operation and sustainable development are the keys to enabling value for our organisation. We will remain steadfast in our commitment to goal zero, leveraging our immense talent, fostering ingenuity, operational efficiency practices, and nurturing teamwork and collaboration to pave the way for measuring up against our key performance indicators.

In the short term our focus remains to maintain the highest level of discipline in carrying out the required maintenance activities to attain an availability target of

over 90% and recover plant available capacity to 740MW by end 2024 and 900MW by end 2025.

In the medium term, we plan to expand the plant capacity by reducing our carbon footprint with the inclusion of waste heat recovery systems with steam turbine technology and effectively transform our plant to a combined cycle plant. This will potentially increase the plant installed capacity by 200 – 250MW.

In the long term we plan to diversify our energy mix, incorporating renewable energy technologies. Key targets include solar and hydro power generation to boost overall energy base for our operation, targeting underserved and unserved sectors in Nigeria and cross-border.

We are excited about our outlook. One reason we are excited about the future is that our corporate purpose, business strategies and Environmental, Social and Governance (ESG) commitments line up beautifully behind an emerging self-sustaining electricity market in Nigeria and the convergence of the ECOWAS regional electricity market. We are responding positively by taking proactive steps to position the Company to optimise these huge opportunities that will inevitably open up in both markets.

We will continue to operate in a very responsible manner with a strong commitment to ESG practices that mirror global best practices. We will also continue to positively impact lives, foster development, and contribute constructively to our host communities.

We shall continue to promote an enabling environment to unleash the huge talent and potential of our staff by investing heavily in learning and developing, creating career development and advancement opportunities while delivering on our business goals. Our employees remain our most vital asset, therefore we will intentionally continue to drive staff engagement and continue to nurture a culture of teamwork and an inclusive work environment.

We will achieve our goals through strategic initiatives, keen financial and risk mitigation practices and a resolute focus on building and maintaining superior relationships with all our stakeholders. Our key imperative is to deliver higher and sustained value to our shareholders and stakeholders, thus strengthening their trust in us. Together, with the continued commitment and support of our board, management, and staff of Transcorp Power Plc, we will set new benchmarks for sustainable and reliable power generation in Nigeria.

In the spirit of these shared aspirations, we look forward to a new chapter in our transformation journey and another exceptional year, surpassing all previous records. By God's grace, we shall.

Thank you everyone – our shareholders, board, employees, customers, vendors, host communities and indeed all our stakeholders for your immense and firm support for the achievements so far made by Transcorp Power Plc.



**Peter Ikenga**

**Managing Director/Chief Executive Officer**

**FRC/2021/PRO/DIR/003/00000023699**

# CORPORATE GOVERNANCE **REPORT**



Transcorp Power Plc (formerly Transcorp Power Limited) places great value on the maintenance of the highest standards of corporate governance through a culture of strong business ethics, sound policies and procedures and effective internal control systems. The principles of good corporate governance are at the centre of Transcorp Power Plc's business, and they are important elements in creating and sustaining value for the Company's key stakeholders.

The Board is responsible for embedding high standards of corporate governance across the Company. It ensures that Management implements adequate policies, procedures, and systems to produce an efficiently functioning company, geared towards the creation and sustenance of shareholder and other stakeholder value.

The Company has continued to work relentlessly towards improving not only its financial performance but also good corporate governance practices, without which financial performance is not sustainable in the long run.

## 1. OVERVIEW

The Board is the focal point of the Company's corporate governance structure. Members of the Board are required to uphold good corporate governance practices when performing their fiduciary duties and responsibilities. The Board Committees' terms of reference are spelt out in the Board and Committees Governance Charter. They exist to help the Board perform its functions and realize the Company's objectives. The delegation of these functions does not in any way mitigate or discharge Board members from the performance of their duties and responsibilities.

The following Board Committees exist in the Company: Technical Committee (TC), Finance and Investment Committee (FIC) and the Board Audit and Governance Committee (BAGC). Existing corporate governance policies approved by the Board of Directors remained operational throughout the period under review. The Internal Control Framework was approved during the year.

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

### 1.1. Governance Framework

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

### 1.2. Board and Board Committees Governance Charter

This Charter provides for the types of Committees, their composition, mandate, terms of reference and functions. The roles and responsibilities of the Board, each Committee, Non-Executive Directors, the MD/CEO, Executives, and the Company Secretary are also highlighted. It also provides for tenure, meetings, quorum, proceedings, appointments, and the overall governance framework for the Board, Board Committees, and members.

### 1.3. Executive Management Charter

This Charter provides for the Executive Management Committee (EMC) of the Company – its composition, role, terms of reference, proceedings, and general governance framework for Management.

### 1.4. Code of Conduct

This Policy was designed to adopt a consistent approach on integrity issues between the Company and its employees, Directors, government officials, business partners and customers. It provides the policies and procedures to be followed on anti – corruption, conflict of interest, anti – bribery/improper payments, money laundering, terrorism financing and insider trading (black out policy). Upon appointment, each staff and Director signs an undertaking to abide by the provisions of this Code. Declarations of compliance are also executed annually.

### 1.5 Whistleblowing Policy

This policy sets out the modalities for reporting in good faith and investigating suspected cases of fraudulent, illegal and unethical activities in the Company. The policy also provides a mechanism for reporting and investigating suspected cases of fraudulent and illegal activities, and encourages all stakeholders to report suspected cases of fraudulent and illegal activities. It also reinforces the Company's non-victimization policy for any stakeholder that reports concerns in good faith.

### 1.6. Non-Audit Services Policy

The policy was developed to mitigate any risks threatening, or likely to threaten, the external auditor's independence and objectivity arising through the provision of non-audit services to the Company.

## 2. BOARD OF DIRECTORS

### 2.1. General

The Board of Directors' primary responsibility is to effectively represent and promote the interest of shareholders and relevant stakeholders, by sustainably adding value to the Company's performance.

The Board consists of nine (9) members made up of one Executive Director, six (6) Non-Executive Directors and two (2) Independent Non-Executive Directors. In accordance with the provisions of the Companies and Allied Matters Act 2020 and the Board Governance Charter of the Company, the Chairman of the Board of Directors presides over Board proceedings. The Board met six (6) times during the 2023 financial year, exceeding the basic requirement of once in a quarter recommended by the Nigerian Code of Corporate Governance. The details of the Directors' attendance of Board meetings are disclosed in this Corporate Governance Report.

The Board has established formal delegations of authority, defining the limits of Management's power and authority and delegating to Management certain powers to run the day-to-day operations of the Company. The delegation of authority conforms to statutory limitations specifying responsibilities of the Board that cannot be delegated to Management. Any responsibility not delegated remains with the Board and its committees. The Company has continued to benefit tremendously from the wealth of experience of its Directors, who are all successful individuals who have distinguished themselves in their chosen fields.

### 2.2. Board Appointment, Induction and Training Processes

Directors are appointed on the recommendation of the Board Audit and Governance Committee in accordance with the Board and Board Committees Governance Charter. In choosing Directors, the Company seeks individuals who have very high integrity, a good image and reputation, shareholder orientation, no conflict of interest, a genuine interest and commitment to the Company.

The Company has in place a formal Director Induction Plan & Procedure. Newly appointed Directors undergo an induction program to become knowledgeable about the business; its governance structure; its key officers; facilities, and operational procedures. They are also trained along with other Board members Groupwide.

### 2.3. Separation of the position of Chairman and Managing Director

During the year under review, the positions of Chairman and Managing Director/CEO were held by different persons in accordance with global best practices in Corporate Governance.

### 2.4. Membership and Changes on the Board

As at year ended December 31, 2023, there were six (6) Non-Executive Directors and one (1) Executive Director on the Board. There were three changes on the Board during the period under review. The MD/CEO (Mr. Christopher Ezeafulukwe) resigned and a Non-Executive Director (Engr. Peter Ikenga) was appointed to replace him. Prof. Sylvester Monye, MFR an Independent Non-Executive Director retired on November 30, 2023. Two (2) Independent Non- Executive Directors, Engr. Charles Odita and Ms. Faith Tuedor-Matthews, OFR were appointed on March 14 2024 and April 1 2024, respectively.

The composition of the Board of Directors of the Company is as follows:

S/N	Directors	Appointment/Resignation Date	Date re-appointed/re-elected
1. Mr. Emmanuel Nnorom	Chairman	Appointed: January 2014	Date last re-elected: April 6 2022
2. Mr. Christopher Ezeafulukwe	MD/CEO	Resigned: August 31 2023	NA
3. Engr. Peter Ikenga	MD/CEO	Appointed MD/CEO September 1, 2023	NA
4. Dr. (Mrs.) Owen Omogiafo	Non-Executive Director	Appointed: March 2020	Date last re-elected: April 6, 2022
5. Mr. Adim Jibunoh	Non-Executive Director	Appointed: July 2017	Date last re-elected: April 6, 2022
6. Mr. Peter Hertog	Non-Executive Director	Appointed: November 2012	Date last re-elected: April 5, 2023
7. Mr. Risqua Muhammed	Non-Executive Director	Appointed: November 2012	Date last re-elected: April 5, 2023

8. Prof. Sylvester Monye, MFR	Independent Non-Executive Director	Appointed: December 2014 Retired November 30 2023	Date last re-elected: April 23, 2021
9. Engr. Vincent Ozoude	Non-Executive Director	Appointed: February 2021	NIL
10. Engr. Charles Odita	Independent Non-Executive Director	Appointed: March 14 2024	NIL
11. Ms. Faith Tuedor-Matthews, OFR	Non-Executive Director	Appointed: April 1 2024	NIL

The Tenures of Service for Directors who served as at December 31, 2023 are as indicated in the table below:

S/N	Directors	Tenure of service
1.	Mr. Emmanuel N. Nnorom	10 years
2.	Engr. Peter Ikenga	2 years, 7 months as Non-Executive Director and 4 Months as MD/CEO
3.	Dr. (Mrs.). Owen D. Omogiafo, OON	4 years
4.	Mr. Adim Jibunoh	6 years
5.	Mr. Peter Hertog	11 years
6.	Mr. Risqua Muhammed	11 years
7.	Engr. Vincent Ozoude	3 years

The Directors to retire by rotation and offering themselves for re-election are Mr Adim Jibunoh and Engr. Vincent Ozoude.

## BOARD MEETINGS

### 2.5. Board Meeting Attendance

The Chairman of the Board of Directors presides over the Board and General Meetings. The Board met six (6) times in the year 2023. The table below shows Directors' attendance at Board meetings for the year.

Director	Total Attendance	19 Feb	23 Apr	31 Jul	25 Oct	4 Dec	18 Dec
Mr. Emmanuel Nnorom	6	✓	✓	✓	✓	✓	✓
Mr. Christopher Ezeafulukwe	3	✓	✓	✓	NA	NA	NA
Dr. (Mrs.) Owen D. Omogiafo	6	✓	✓	✓	✓	✓	✓
Mr. Adim Jibunoh	6	✓	✓	✓	✓	✓	✓
Mr. Risqua Muhammed	6	✓	✓	✓	✓	✓	✓
Mr. Peter Hertog	6	✓	✓	✓	✓	✓	✓
Prof. Sylvester Monye, MFR	6	✓	✓	✓	✓	NA	NA
Engr. Peter Ikenga	6	✓	✓	✓	✓	✓	✓
Engr. Vincent Ozoude	6	✓	✓	✓	✓	✓	✓

### Key

✓ = Director was present for Meeting

✗ = Director was absent with an apology

N/A = Not Applicable. Director was either not yet appointed to the Board or had resigned.

Mr. Christopher Ezeafulukwe resigned as MD/CEO on August 31, 2023 and Engr. Peter Ikenga was appointed MD/CEO on September 1, 2023 and Prof. Sylvester Monye, MFR Independent Non-Executive Director retired on November 30, 2023.

## 2.6. Board Committees

### 2.6.1. Technical Committee

The Technical Committee ("TC") provides oversight on matters of technical nature together with health, safety and environmental matters as they relate to the operations of the Company. Terms of Reference of the TC include:

- i. Making recommendations on the plant output target of the Company for the year in terms of megawatts (MW).
- ii. Providing maintenance recommendations and maintenance blueprints for plant equipment for the year.
- iii. Providing oversight on both human and material resources needed to be deployed in order to achieve megawatt output target and to carry out maintenance works.
- iv. Providing recommendations on technical partnerships and joint ventures with other companies.
- v. Providing recommendations and oversight for the company's expansion plans.
- vi. Reviewing/approval of major acquisition and rehabilitation agreements.
- vii. Providing oversight on the company's regulatory compliance.
- viii. Providing oversight on the company's HSE implementation.
- ix. Reviewing plant performance quarterly and yearly.

Technical Committee members as at year ended December 31, 2023:

Name	Designation
1. Engr. Vincent Ozoude	Chairman
2. Engr. Peter Ikenga	Member
3. Dr. (Mrs.) Owen Omogiafo, OON	Member
4. Mr. Peter Hertog	Member

The Committee met four (4) times in the year under review. The table below shows the meeting dates and members' attendance in 2023:

Director	Total Attendance	19 Jan	22 May	1 Jun	5 Oct
Engr. Vincent Ozoude*	4	✓	✓	✓	✓
Engr. Peter Ikenga	4	✓	✓	✓	✓
Dr. (Mrs.) Owen Omogiafo, OON	4	✓	✓	✓	✓
Mr. Peter Hertog	3	✓	✓	✓	✗

#### Key

✓ = Director was present for Meeting

✗ = Director was absent with an apology

N/A = Not Applicable. Director was either not yet appointed to the Board or had resigned.

\*Engr. Vincent Ozoude was appointed Chairman of the Technical Committee on August 15, 2023

The meeting of May 22, 2023 was a joint meeting of the Technical Committee and Finance and Investment Committee.

### 2.6.2 Finance and Investment Committee

The Finance and Investment Committee (FIC) has primary responsibility for providing oversight and guidance on matters that relate to finance, investment, company performance and strategy and governance. The Terms of Reference of the Committee include:

- i. Advising the Board on all matters relating to finance, procurement, general purposes and financial arrangements.
- ii. Ensuring that adequate and comprehensive financial controls are in place and implemented in line with Financial Regulations.
- iii. Advising on the appointment of the Auditors and on matters arising from the audit.
- iv. Considering and recommending annual estimates of income and expenditure to the Board.
- v. Monitoring income and expenditure against yearly estimates.
- vi. Requesting and receiving reports from other Committees on any matter having a financial implication.
- vii. Contributing to and reviewing financial planning as part of the strategic and business planning process.

- vi. Monitoring and recommending actions in relation to debtors.
- vii. Requesting and receiving reports from other Committees on any matter having a financial implication.
- viii. Contributing to and reviewing financial planning as part of the strategic and business planning process.
- ix. Monitoring and advising on staffing arrangements and budgets.
- x. Having oversight of the assessment of risk and actions taken to minimise risk.

FIC members as of December 31, 2023 are:

Name	Designation
Dr. (Mrs.) Owen Omogiafo, OON	Chairman
Engr. Peter Ikenga	Member
Mr. Risqua Muhammed	Member
Mr. Adim Jibunoh	Member

The FIC met three (3) times in the year under review. The table below shows the meeting dates and members' attendance in 2023:

Director	Total Attendance	1 Feb	22 May	17 Oct
Dr. (Mrs.) Owen Omogiafo, OON	3	✓	✓	✓
Engr. Peter Ikenga*	1	NA	NA	✓
Mr. Risqua Muhammed	3	✓	✓	✓
Mr. Adim Jibunoh	3	✓	✓	✓

#### Key

✓ = Director was present for Meeting

\* = Director was absent with an apology

N/A = Not Applicable. Director was either not yet appointed to the Board or had resigned.

\*Engr. Peter Ikenga became a member of the Finance and Investment Committee on, September 1, 2023 following his appointment as the MD/CEO.

\* Prof Monye resigned from the Committee on November 30 2023, after having attended all the Committee meeting during the year

#### 2.6.3. Board Audit and Governance Committee

The Board Audit and Governance Committee is responsible for audit, remuneration, nomination and governance. Its Terms of Reference include:

- i. Advising the Board on all matters relating to finance, procurement, general purposes, staffing policy and establishing procedures for the nomination of Directors
- ii. Advising and recommending to the Board the composition of the Board
- iii. Approving recruitments, promotions, redeployments, and disengagements for the Company/Heads of departments that make up the Executive Management Committee.
- iv. Reviewing and evaluating the skills of members of the Board
- v. Recommending to the Board, compensation for all staff of the Company
- vi. Advising the Board on corporate governance standards and policies
- vii. Reviewing and approving all human resources and governance policies for the Company
- viii. Reviewing and recommending to the Board and Shareholders any changes to the Memorandum and Articles of Association
- ix. Evaluating and appraising the performance of the Board and Board Committees and its members annually in conjunction with consultants
- x. Monitoring other aspects of activities of the Company including internal targets, health, and safety.
- xi. Evaluating the adequacy of internal audits and internal controls that could significantly affect the Company's financial statements and special audit steps adopted in the event of significant control deficiencies, if any, including those reported by internal audit.

BAGC members as at December 31, 2023 are:

Name	Designation
Prof. Sylvester Monye, MFR*	- Chairman
Dr. (Mrs.) Owen Omogiafo, OON	- Member
Mr. Adim Jibunoh	- Member
Engr. Vincent Ozoude	- Member

\* Prof. Sylvester Monye, MFR retired November 30 2023

The BAGC met three (3) times in the year under review. The table below shows the meeting dates and members' attendance in 2023:

Director	Total Attendance	1 Feb	21 Feb	17 Oct
Prof. Sylvester Monye, MFR	3	✓	✓	✓
Dr. (Mrs.) Owen Omogiafo, OON	3	✓	✓	✓
Mr. Adim Jibunoh	3	✓	✓	✓
Engr. Peter Ikenga	2	✓	✓	NA
Engr. Vincent Ozoude	3	✓	✓	✓

#### Key

✓ = Director was present for Meeting

× = Director was absent with an apology

N/A = Not Applicable. Director was either not yet appointed to the Board or had resigned.

\*Engr. Peter Ikenga resigned from the Committee following his appointment as MD/CEO on September 1, 2023.

\*Prof. Sylvester Monye resigned from the Committee on November 30, 2023.

#### 2.6.4 Executive Management Committee

The Executive Management Committee (EMC) is charged with the primary responsibility of making decisions on the effective and efficient management of the Company. Below are other specific functions of the EMC:

- Articulate the strategy of the Company and recommend same to the Board for approval.
- Discuss strategic matters and their impact on the Company's business.
- Recommend to the Board the framework or policy for investment; and monitor the implementation of investment procedures. In line with Board approvals and guidance, outline the Company's philosophy, policy, objectives and resultant tasks to be accomplished.
- Recommend to the Board, structures and systems through which activities are arranged, defined and coordinated in terms of specific objectives.
- Prepare an annual financial plan for the approval of the Board and ensure the achievement of set objectives.

### 3. DIRECTORS' REMUNERATION POLICY

The Board's remuneration policy is structured to suit the environment in which it operates and the results it achieves at the end of each Financial year. It is reviewed when necessary to meet economic realities and in 2023, this included the following:

#### Non-Executive Directors

##### Annual Fees & Allowances

Non-Executive Directors earn N3,250,000.00 as Directors' fees annually while the Chairman earns N5,500,000. Various components of remuneration are payable quarterly, half-yearly or annually.

## Board Meetings

Non-Executive Directors earn N350,000.00 sitting allowances per meeting while the Chairman earns N500,000. Transport costs and hotel expenses are reimbursed where applicable.

## Board Committee Meetings

Non-Executive Directors earn N300,000.00 sitting allowances per meeting, while the Chairman earns N350,000.00. Transportation costs and hotel expenses are reimbursed where applicable.

## Executive Directors

The remuneration policy for executive directors includes the following:

**Fixed remuneration:** This is fixed in consideration of the level of responsibility, and ensuring the remuneration is competitive with remuneration paid for equivalent posts of equivalent status within the industry both within and outside Nigeria.

**Variable annual remuneration linked to performance.** The amount of this remuneration is subject to achieving specific, quantifiable and measurable Key Performance Indicators set and appraised annually by the parent and Company Boards.

## 4. CLAWBACK POLICY

The Company has in place a clawback policy in respect of performance bonus payments to executive management and employees.

## 5. SUMMARY REPORT OF THE ANNUAL CORPORATE GOVERNANCE EVALUATION

The firm of Angela Aneke & Co. Limited performed the evaluation of the Board for the year ended December 31, 2023, in line with the requirements of the Nigerian Code of Corporate Governance, global best practices and the Company's corporate governance framework.

## 6. HUMAN RESOURCE POLICIES AND INTERNAL MANAGEMENT STRUCTURE

The Human Resources Policy provides for benefits available to eligible employees in the Company. The Company has put in place an internal control system to ensure that its practices comply with relevant labour laws, regulations and recommended best practices.

## 7. INDEPENDENT AUDITORS

The firm Deloitte & Touche has served for a period of four years as the Independent Auditors. In accordance with the provisions of the Company's and Allied Matters Act 2020. Deloitte & Touche have indicated their willingness to continue after their fourth year as Independent Auditors of the Company. The Directors shall seek members' authorisation at the Annual General Meeting to fix their remuneration.

## 8. SUMMARY OF RISK MANAGEMENT FRAMEWORK

This is contained in the risk management disclosures on Note 5 of the financial statement

## 9. FINES & PENALTIES

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

## 10. STATEMENT OF COMPLIANCE

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

## 11. RELATIONSHIP WITH SHAREHOLDERS

The Company is fully conscious of the importance of effective and constant interaction with shareholders. The Company benefits tremendously from the interactions and would welcome further contributions of shareholders at the Annual General Meeting. The Company will continue to take all necessary steps to uphold shareholder rights.

## 12. CODE OF CONDUCT & BUSINESS ETHICS

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

## 13. COMMUNICATIONS POLICY

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

## 14. INTERNAL CONTROL / AUDIT

The entire staff and Management of Transcorp Power Plc take ownership and responsibility for protecting the Company against fraudulent transactions. The Control unit takes responsibility for ensuring and promoting compliance with statutory and regulatory requirements, as well as with internal policies approved by the Board. The primary functions of Internal Audit are to review transactions entered into by the Company to ensure completeness, compliance and accuracy. Internal Audit also provides assurance to the Board and Management that internal control processes are in place and adequate. The Head of Internal Control/Audit reports directly to the Board through the Audit and Governance Committee.

## 15. SUSTAINABILITY POLICY

This Policy covers the environmental and social dimensions of sustainable development which the Company recognises as part of good business and is applicable to all our organizational units as well as the operational locations where it carries out business. The Company is committed to sustainable development, in its day-to-day activities including Stakeholder Engagement, Corporate Governance, Preserving the Environment, Employee related matters, Vendors Engagement and Supplies, Safety, Health and Environment Management, Community Investment and Corporate Social Responsibility, and Ethics and Whistle Blowing.

In addition, Transcorp Power Plc is committed to achieving the highest standards in Health, Safety and Environment (HSE) Policy management, maintaining a healthy and safe working environment throughout its operations for all its Employees, Consultants, Sub-Consultants and other third parties, ensuring compliance and prevention of loss of any life, equipment or property. Recognizing our need to provide the highest quality of services, we proactively integrate the Health, Safety and Environment objectives into our management systems at all levels, actively reinforced by rewards and recognition programs.

In view of the above, the Company's Board and Management implement as follows:

- a. Allocation of all necessary resources to achieve set goals;
- b. Provide and maintain safe and healthy working conditions in compliance with all statutory and regulatory requirements;
- c. Make available all necessary safety devices, protective equipment and supervision of usage;
- d. Maintain constant and continued interest in the Company's health and safety matters Company by ensuring employees undertake hazard spotting as a normal part of their duties;
- e. Provide appropriate training to enable employees to perform their work safely and efficiently.
- f. Using the protective equipment provided as and when required.
- g. Adherence to our Company's procedures for minimizing the environmental effects of its activities.
- h. Investigation of accidents with the aim of preventing their re-occurrence.

- i. Reporting of any damaged equipment, or accidents, to the responsible departmental head; and
- j. Minimization of waste through re-use and recycling where applicable.
- k. Suspending any activity if the employee or consultant notices any unsafe situation.

All employees of Transcorp Power at all times understand their specific responsibilities for Health, Safety and Environment within the organization.

# DIRECTORS REPORT



The Directors hereby submit their report together with the audited financial statements for the year ended 31 December 2023, to the members of Transcorp Power Plc. ("the Company"). This report discloses the financial performance and state of affairs of the Company.

### Incorporation and address

The Company is the successor company from the merger of Transcorp Ughelli Power Limited and Ughelli Power Plc. Transcorp Ughelli Power Limited was incorporated in Nigeria on 24 September 2012, under the Companies and Allied Matters Act, CAMA as a private limited liability company for the purpose of acquiring 100% shareholding in Ughelli Power Plc from the Federal Government of Nigeria on 1 November 2013.

On 1 October 2015, Transcorp Ughelli Power Limited merged with its subsidiary, Ughelli Power Plc with a resultant change in name to Transcorp Power Limited and the cancellation of the share capital of Ughelli Power Plc. No new company was formed.

On 19 December 2023 the Company held an Extra Ordinary Meeting (EGM) and passed a resolution to convert the company from a Private Limited Liability Company to a Public Limited Liability Company, and the consequent change of name from Transcorp Power Limited to Transcorp Power Plc. At the same meeting, the Company increased its share capital from ₦42,733,641.50 divided into 85,467,283 ordinary shares of ₦0.50 each to ₦3,750,000,000.00 divided into 7,500,000,000 ordinary shares of ₦0.50 each by the creation of an additional 7,414,532,717 ordinary shares of ₦0.50 each. It was also approved that the shares of the Company be listed on the main Board of the Nigerian Exchange Limited.

### The address of the Company's registered office is:

38 Glover Road  
Ikoyi, Lagos  
Nigeria.

### Principal activities

Results	31 December 2023	31 December 2022
	N'000	N'000
Revenue	142,122,364	90,349,386
Profit before income tax	52,763,701	28,618,977
Income tax expense	(22,530,171)	(11,335,571)
Profit for the year	30,233,530	17,283,406

### Dividend

The Board of Directors recommended an interim dividend of N23,462,335,236 (2022: N17,166,275,000). The dividend is subject to Shareholders' approval at the Annual General Meeting (AGM) of the Company. The dividend is subject to withholding tax at the rate of 10%.

### Directors

The names of the Directors at the date of this report and of those who held office during the year are as follows:

Mr. Emmanuel Nnorom	Chairman
Mr. Christopher Ezeafulukwue	Managing Director/Chief Executive Officer – Resigned August 31, 2023
Engr. Peter Ikenga	Managing Director/Chief Executive Officer – Appointed September 1, 2023
Dr. (Mrs.) Owen D. Omogiafo, OON	Non-Executive Director
Mr. Adim Jibunoh	Non-Executive Director
Mr. Peter Hertog (Dutch)	Non-Executive Director
Mr. Risqua Muhammed	Non-Executive Director
Prof. Sylvester Monye, MFR	Independent Non-Executive Director – Retired November 30, 2023
Engr. Vincent Ozoude	Non-Executive Director
Engr. Charles Odita	Independent Non - Executive Director - Appointed March 14 2024
Ms. Faith Tuedor Matthews, OFR	Independent Non - Executive Director - Appointed April 1 2024

### Directors' Interests in Contracts

For the purpose of Section 277(4) of the Companies and Allied Matters Act, CAMA 2020, Thomassen Service Middle East LLC ("Thomassen") Thomassen is a company where Mr. Peter Hertog has a controlling interest. No other Director has notified the Company of his or her direct or indirect interest in contracts or proposed contracts with the Company during the year.

### Directors' Shareholding

For the purpose of Sections 302 and 303 of the Companies and Allied Matters Act, CAMA 2020, some of the Directors have indirect holding in the Company as a result of being principal officers or key shareholders in the various companies that are shareholders of Transcorp Power Plc.

#### DIRECT AND INDIRECT HOLDINGS OF DIRECTORS AS AT DECEMBER 31, 2023

Full Name	Position	Direct Holding	Indirect Holding	Companies represented by indirect holding
Mr. Emmanuel Nnorom	Chairman	17,349,873	N/A	N/A
Engr. Peter Ikenga	Managing Director	N/A	N/A	N/A
Dr. (Mrs.) Owen D. Omogiafo, OON	Non-Executive Director	17,349,873	3,867,409,318	Transnational Corporation
Mr. Adim Jibunoh	Non-Executive Director	N/A	N/A	N/A
Mr. Peter Hertog (Dutch)	Non-Executive Director	N/A	192,898,379	Thomassen Holding Limited
Mr. Risqua Muhammed	Non-Executive Director	N/A	560,506,826	Woodrock Energy Resources Limited
Prof. Sylvester Monye, MFR	Independent Non-Executive Director	N/A	N/A	N/A
Engr. Vincent Ozoude	Executive Director	N/A	N/A	N/A

### Shareholding

According to the register of members at 31 December 2023, the shareholding in the Company was as follows:

	FY 2023 No of shares	% Holding	FY 2022 No of shares	% Holding
Transnational Corporation Plc	3,867,409,318	51.57%	40,925,262	51.02%
RichPoint Limited	2,495,397,960	33.27%	24,284,918	30.27%
Woodrock Energy Resources Limited	560,506,826	7.47%	9,858,713	12.29%
Seaforce Investments Limited	270,090,268	3.60%	3,007,861	3.75%
Thomassen Holding Limited	192,898,379	2.57%	2,041,267	2.54%
HH Capital Limited	49,880,886	0.67%	-	-
Mr. Emmanuel Nnorom	17,349,873	0.23%	-	-
Dr. (Mrs.) Owen D. Omogiafo, OON	17,349,873	0.23%	-	-

	FY 2023 No of shares	% Holding	FY 2022 No of shares	% Holding
Mr Christopher Ezeafulukwe	10,843,670	0.14%	-	-
PSL Engineering and Control Limited	9,298,010	0.12%	98,392	0.12%
Mr. Samuel Nwanze	8,674,937	0.12%	-	-
United Capital Trustees	300,000	0.01%	-	-
	7,500,000,000	100%	80,216,413	100%

Except for Transnational Corporation Plc, Richpoint Limited and Woodrock Energy Resources Limited, no other entities or individual(s) hold(s) 5% and above of the share capital of the Company.

### Equal employment opportunity

The Company pursues an equal employment opportunity policy. It does not discriminate against any person on the grounds of race, religion, colour, or physical disability.

### Employment of disabled persons

The Company has a policy of fair consideration of job applications by physically challenged persons having regard to their abilities and aptitude. The Company's policy prohibits discrimination against such persons in the recruitment, training, and career development of its employees. In the event of members of staff becoming physically challenged, every effort is made to ensure that their employment with the Company continues, and that appropriate training arrangements are made. As at 31 December 2023 no disabled person was employed in the Company.

### Employee health, safety and welfare

The Company maintains business premises and work environments that promote the safety and health of its employees and other stakeholders. The Company's rules and practices in this regard are reviewed and tested regularly. Also, the Company provides free medical insurance for its employees and their families through selected health management organisations and hospitals. In addition, the Company has an on-site clinic for staff and provides lunch on-site, to improve employee wellbeing.

### Employee training and involvement

The Company places a high premium on the development of its manpower and consults with employees on matters affecting their wellbeing. Formal and informal channels of communication are employed to keep staff abreast of various factors affecting the performance of various businesses in the Company. In-house and external trainings are carried out at various levels across the business chains in the Company. The Company's skill base has been extended by a range of training provided to employees.

### Prohibition of Insider Trading – Code of Conduct for Directors & Staff

The Company has a Code of Conduct which guides members of the board, Staff, Contractors, Suppliers, Consultants, and business partners in areas of Health and Safety, Anti-bribery, Ethical Behaviour, Money laundering, Securities Trading, Insiders dealing, Discrimination, Drugs, Alcohol, and Substance abuse or trafficking, Conflict of Interest disclosures, Anti-Trust, Relationships with Customers, Information Security Management and more. Each member of staff and Director is made to sign an undertaking to abide by the Company's Code of Conduct.

### Complaint Management Procedure

A dedicated process and feedback mechanism for the management and resolution of shareholders' complaints is in place and can also be accessed on the Company's website.

### Risk Management Policy and Practices

The Company has an Enterprise Risk Management Framework, which sets out the governance structure, process and policy requirements for the consistent management of risk. The Framework was developed to institutionalize risk management practices in the company. It covers principles such as Risk Management Objectives, Risk Management Strategies, Risk Management Philosophy and Culture, Risk Appetite and Risk Oversight as well as the processes including risk identification, analysis, management, monitoring, reporting and communication. The Board sets the tone, and the risk appetite for each business and risks identified. Management assesses the risks following a quarterly risk assessment exercise. The Finance and Investment Committee (FIC) has oversight over risk management.

The risk report is presented quarterly at each FIC meeting and the key risks noted are escalated to the Board with recommendations from the FIC on how to manage them effectively. The risk management systems and practices at the Company are effective and efficient.

#### **Property, plant and equipment**

Information relating to changes in Property, plant and equipment is provided in Note 15 to the financial statements. In the opinion of the Directors, the market value of the Property plant and equipment is not less than the carrying value.

#### **Format of the financial statements**

The financial statements are presented in accordance with the reporting and presentation requirements of the Companies and Allied Matters Act, CAMA 2020 and International Financial Reporting Standards. The Directors consider that the format adopted is the most suitable for the Company.

#### **Securities Trading Policy**

The Company's Code of Conduct prohibits employees and Directors from insider trading, dealings and stock tipping during closed periods. The Capital Market, Board, Management and Employees would be regularly notified of closed periods.

#### **Fines and Penalties**

The Company was not fined during the year under review.

#### **The Nature of any Related Party Relationship and Transaction**

Note 23 provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

#### **Events after the reporting date**

As stated in Note 31, subsequent to the year end, the Company's shares were listed on the Main Board of the Nigerian Exchange Limited (NGX Exchange) on 4th March 2024. As at the date of listing, the company met the NGX minimum free float requirement. New Independent Non-Executive Directors, Engr. Charles Odita and Ms Faith Tuedor - Matthews were appointed in March 2024 and April 2024 respectively. Apart from these, there are no other significant subsequent events which could have had a material effect on the state of affairs of the Company as at 31 December 2023.

#### **Donations/Charitable Gifts**

Donations made during the year nil (2022: N637million).

#### **Independent Auditors**

Messrs. Deloitte & Touche have expressed their willingness to continue to be the Company's auditors in accordance with Section 401 (1) of the Companies and Allied Matters Act, CAMA 2020. A resolution shall be made at the annual general meeting authorizing the Directors to determine their remuneration.

By Order of the Board



#### **Stanley Chikwendu**

Company Secretary

FRC/2012/NBA/00000000590

8th April 2024

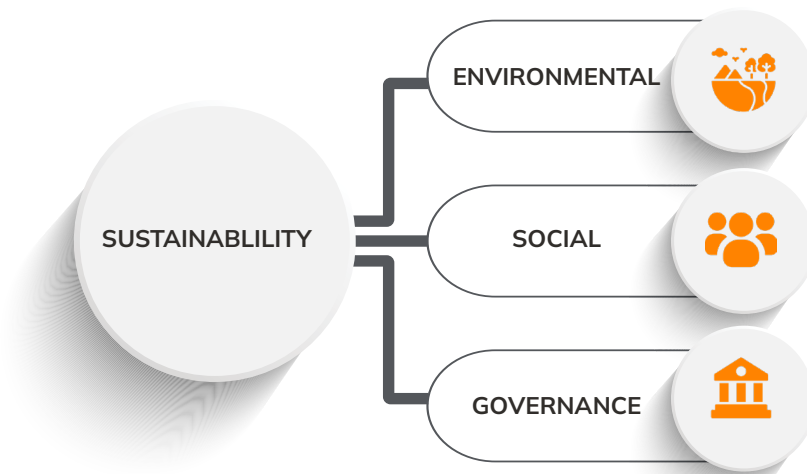
# ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT



Transcorp Power Plc (“Transcorp Power”) is deeply committed to integrating Environmental, Social, and Governance (ESG) criteria into every facet of its operations and investment decisions. Central to its mission of delivering reliable power to households, communities, and businesses across Africa is a steadfast dedication to building a socially responsible and impactful enterprise that serves its diverse stakeholders.

This Sustainability report reflects our unwavering resolve to significantly contribute to Africa’s socio-economic development and the well-being of its people by leading the charge toward sustainable future growth as a forward-thinking energy leader committed to clean electricity generation. It serves as a transparent disclosure of Transcorp Power’s economic, social, and environmental initiatives aimed at ensuring the company’s long-term sustainability. Additionally, it outlines the significant changes and future trajectory of our management based on strategic priorities and vision.

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



## ENVIRONMENT

At Transcorp Power Plc, our commitment towards implementing climate and environment friendly decision stand as a fundamental pillar within our sustainability strategy. We continuously bolster existing measures aimed at minimizing the environmental footprint of our operations. As such, waste disposal is meticulously conducted to adhere to environmentally friendly practices. Additionally, we prioritize the utilization of products and services that have minimal negative impact on the environment whenever feasible.

Our commitment to environmental stewardship is underscored by our ISO 14001: 2015 Environmental Management System. We uphold the principle of continuous improvement, particularly concerning the mitigation of water, air, noise, and light pollution resulting from our activities. This proactive approach ensures a tangible reduction in any adverse effects on the local community.

Transcorp Power Plc wholeheartedly supports and adheres to the stipulations outlined in all relevant environmental laws, regulations, and industry codes of practice.

## SOCIAL

### Community Impact & Empowerment

Within the year, Transcorp Power upheld its corporate commitment to social investment and economic development interventions within its host communities and the public sphere, aiming to uplift lives and foster transformation. Driven by a dedication to creating enduring, meaningful impact, the Company made strategic decisions to prioritize and enhance the societal and environmental value of its host communities.

As part of our CSR initiative and empowerment scheme for 2023, thirty-nine (39) participants from the host communities were enrolled in the 11th batch of the program. Each participant, hailing from the three host communities, received a capital grant upon completing their training, enabling them to embark on self-employment ventures.



Community Health and Safety Sensitisation



Transcorp Power Launches New and Improved School Uniform



Transcorp Power presents the annual Bursary Award to the three winners from the host communities.



Transcorp Power hosts the 9th and 10th Graduation and 11th Induction of their Vocational Skills Training and Entrepreneur Empowerment Ceremony.

Additionally, during the 2023 festive season, the Company extended support to alleviate economic hardship by donating foodstuffs and provisions to targeted groups within the host communities, including individuals with disabilities in surrounding Local Government Areas.

Concerted efforts by the Company ensured the maintenance of a positive relationship between Transcorp Power, Traditional Leadership of Indigenous Clans, and Local Government Authorities. This was achieved through CSR initiatives, courtesy visits, prompt settlement of Local Government rates and taxes, and the donation of Security Vigilante Patrol Vehicles to bolster local security services, fostering a peaceful and secure environment.



*Transcorp Power organises community health and safety sensitisation on fire prevention techniques in the host communities.*

Furthermore, despite economic challenges, the Company remained committed to providing comprehensive training opportunities for all staff categories throughout 2023. Leveraging various e-learning platforms and innovative virtual tools, we ensured that identified training needs were effectively addressed, both domestically and internationally. Moving forward, collaborative efforts across the organization will be continued to enhance workforce skill sets and pursue sustainable capacity development initiatives.

### Wellness, Health & Safety

The wellness and wellbeing of our staff and their eligible dependents remain paramount. To this end, all staff members and their dependents are covered by a robust health insurance scheme in collaboration with Avon Medical HMO. Additionally, annual medical wellness tests are conducted for all staff to assess their fitness for assigned tasks and detect silent chronic diseases in partnership with Avon Medicals and Avon HMO.

Our approach to health management encompasses various initiatives to ensure physical wellness and achieve personal health goals. This includes annual audiometric tests for staff exposed to high noise levels, food handlers' tests to guarantee food safety, and a range of health talks, annual wellness checks, and training sessions to equip employees with knowledge and resources for maintaining optimal health and productivity.

In 2023, Transcorp Power achieved a remarkable 475,303 man-hours without a fatality, based on globally recognized HSE standards. The Company conducts biannual inspections and certifications of critical equipment to uphold safety standards and prevent accidents. Our safety management strategy revolves around raising awareness, implementing robust safety systems, and maintaining a solid safety infrastructure, with the ultimate goal of operating with zero accidents and ensuring the well-being of all stakeholders in line with ISO standards, international best practices, and regulatory requirements.

## GOVERNANCE

### Stakeholder Engagement

Transcorp Power pro-actively engages her stakeholders through regular and constructive dialogues to anticipate, plan for, and manage changes and ultimately partner together to create shared values. Transcorp Power considers its stakeholders as those who have influence over its activities, as well as those who are impacted by them; thus, Transcorp Power interacts and engages in a sustained dialogue with a broad spectrum of stakeholders at all levels.

In the course of the year, the Executive Management team paid several courtesy visits and met with key external and internal stakeholders including traditional rulers of the host communities. These engagements were productive for both the Company and the stakeholders in building cooperation and understanding.

Transcorp Power has various platforms for stakeholder engagement, some of which are shown below:

STAKEHOLDER ENGAGEMENT		
Stakeholders and Investors	Suppliers and Business Partners	Employees
<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Annual Report</li> <li>• Company Website</li> <li>• Media Parleys</li> <li>• Investor Calls</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Site Visits</li> <li>• Whistleblowing reporting mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Townhall Meetings</li> <li>• Newsletters</li> <li>• Team bonding and knowledge sessions</li> <li>• Whistle blowing reporting mechanism</li> </ul>
Community	Government and Regulatory Authorities	Media
<ul style="list-style-type: none"> <li>• Corporate Social Responsibility</li> <li>• Activities</li> <li>• Partnerships</li> </ul>	<ul style="list-style-type: none"> <li>• Courtesy visits</li> <li>• Remittances</li> <li>• Engagement on Policies</li> <li>• Letters and Formal Emails</li> </ul>	<ul style="list-style-type: none"> <li>• One-on-One meetings</li> <li>• Emails</li> <li>• Press release.</li> <li>• Conferences and Interviews</li> <li>• Social Media articles</li> <li>• Media Parleys</li> </ul>

#### Suppliers and Third-Party Service Providers

Our suppliers and vendors are encouraged to maintain high standard levels in line with our inclusive and robust procurement policy. This approach of continuous interaction with our contractors not only boosts our corporate responsibility, but also assists them in improving their service standards and quality of delivery. Purchasing decisions are consistently based on competitive bidding including a vendor selection and management process to ensure transparency in the final selections made.

Also, in the year 2023 Vendors attested to have read and understood the Company's Code of Business Conduct and Ethics which will guide them in their dealings with the Company.

#### Corporate Governance & Strategy

As a company, we rely on a robust and well-defined corporate governance framework to guide our policies, processes, and procedures, ensuring sustainability and fostering transparency across all facets of our operations.

Throughout the review period, Transcorp Power Plc. remained committed to upholding the highest standards of corporate governance internally, aiming to deliver maximum value and success for all stakeholders, including customers, shareholders, employees, creditors, suppliers, and the communities in which we operate. Our existing practices and policies are rooted in principles of fairness, accountability, full disclosure, and transparency, aligning with global best practices and fortified by sound internal control systems.

Our corporate governance framework is further reinforced by strict adherence to the Transcorp Power Code of Business Conduct and Ethics (COBE), which delineates the company's values, ethics, and business principles, providing a guiding framework for the conduct of the company, its directors, employees, and other stakeholders. The COBE is complemented by robust mechanisms for reporting deviations and non-conformities.

Moreover, during the review period, the Company remained steadfast in adhering to the provisions outlined in its Memorandum and Articles of Association, as well as the Companies and Allied Matters Act 2020, global best practices, and other applicable regulations. We upheld key requirements of the Nigerian Code of Corporate Governance (NCCG) 2018 issued by the Financial Reporting Council of Nigeria (FRCN), reinforcing our commitment to regulatory compliance and further fortifying our corporate governance practices.

#### Cyber-Security

We recognize the critical importance of cybersecurity in preserving the trust and confidence of our stakeholders. As such, we have proactively invested in robust cybersecurity measures to mitigate risks, fortify our defenses, and uphold the integrity of our operations.

Below, we provide insight into our cybersecurity initiatives, detailing our strategic approach to addressing emerging threats, enhancing resilience, and fostering a cyberaware culture throughout our organization.

- Implementation of DMARC (Domain-based Message Authentication, Reporting & Conformance), SPF (Sender Policy Framework) and DKIM (DomainKeys Identified Mail) on our domain DNS record. A stringently aggressive threat threshold was also raised for phishing, spam, malware, safe attachments, and safe links.
- Maintaining a Mikrotic router gateway firewall as a perimeter security device to protect the network against attacks on all the devices connected to the Company's network.
- Carrying out annual vulnerability assessment, and penetration testing on the network through an independent consultant.
- Enhancement of domain security authentication by the implementation of access control permissions and multifactor authentications on the users and computer accounts on the network through AD (active directory).
- Symantec EndPoint Protection through a cloud delivered security infrastructure with an intelligent AI-driven console and a single agent deployed on the network.
- Window Server Update Service (WSUS) is deployed to fully manage the distribution of the latest Microsoft product updates to computers connected to the network through a management console.
- Implementation of Microsoft Intune Remote Wipe Solution to protect access and data on organization-owned and personal devices.

### Employees

Our team stands as the cornerstone of our organization, representing our most invaluable assets. Comprising a diverse array of professionals, they possess a profound understanding of the essential elements underpinning successful business operations. Driven by passion, our team members exhibit a readiness to surpass expectations in pursuit of our overarching purpose and mission: to enhance lives and catalyze transformation across Africa.

Distinguished by their unwavering dedication, our team takes immense pride in their contributions and affiliation with our organization. Demonstrating a steadfast commitment to our core values of Enterprise, Excellence, and Execution, each member consistently strives to deliver their utmost, ensuring the realization of our collective vision



*Humans of Transcorp*



*Transcorp Power listing by introduction on the main board of the NGX*



*Transcorp Power celebrates International Women's Day*



*Transcorp Power celebrates Africa Day 2023*



*Transcorp Power hosts the Army War College, Nigeria on an Environmental Study tour*



*The Presentation of Transcorp Power's Discharge Certificate.*





The inhouse disassembly of GT18



Transcorp Power hosts the National Defence College Course 32 on a study tour



Transcorp Power organises school recycling sensitisation in host communities



Transcorp Power Plc Celebrates a Decade of Impact



Transcorp Power Plc's appointment to the Executive Board of the West African Power Pool (WAPP)



Transcorp Power welcomes students of the Transcorp Intern X.



The Group Chairman, Tony Elumelu, CFR, visits the Transcorp Power Plant in Ughelli, Delta State.



Transcorp Power Staff School holds its 22nd graduation and prize giving ceremony



To Commemorate World Environment Day, Transcorp Power Plc plant Trees at the school and the plant premises.

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

The Board of Directors at Transcorp Power Plc. ("Transcorp Power" or the "Company") recognizes sustainability as a key driver of enduring value for its stakeholders. Embracing Environmental, Social, and Governance (ESG) issues as essential business imperatives, the Board assumes responsibility for overseeing the Company's activities.

Aligned with Section 28.8 of the Nigerian Code of Corporate Governance 2018, we, the Board of Directors of Transcorp Power, present the ESG report for the year ending December 31, 2023.

At the heart of our mission is a dedication to fostering socially responsible and impactful businesses across strategic economic sectors, catering to our diverse stakeholders. Embracing this corporate ethos and social obligation, Transcorp power plc integrates ESG criteria comprehensively into all business operations and investment decisions.

This foundational ethos propels us to drive positive outcomes in all business engagements, collaborating closely with stakeholders to realize enduring value and sustainable growth.

In 2023, our ESG initiatives focused on these pillars, detailed in our sustainability report. Regarding our environmental impact, we have implemented Health, Safety, Security, and Environment (HSSE) policies to mitigate adverse effects on local communities in terms of water, air, noise, and light pollution. Upholding a commitment to continuous improvement, we collaborate with reputable partners to ensure environmentally sustainable waste disposal practices.

On the social front, our CSR and empowerment initiatives for 2023 included enrolling thirty-nine (39) participants from host communities in the 11th batch of our scheme. Each participant received a capital grant upon completing the training, enabling them to start their own businesses and achieve self-employment.

Transcorp power remains steadfast in providing equal opportunities to employees and candidates, ensuring fair treatment without discrimination based on various factors. To reinforce this commitment, we strive for balance across job functions and responsibilities.

Engaging stakeholders and fostering collaborative partnerships are integral to our ESG strategy. We approach all stakeholders with transparency, openness, and a strong sense of commitment, aiming to build mutual understanding, trust, and cooperation on sustainability matters.

Recognizing potential risks and opportunities related to sustainability, the Board conducts quarterly oversight and monitoring of the risk strategy, aligning with the Company's overall risk appetite. This includes extensive governance, risk management, internal control, and compliance programs.

Our steadfast commitment to checks and balances at all levels ensures the creation of an efficiently functioning organization geared towards delivering long-term value

Thank you.



**Emmanuel Nnorom**

Chairman, Board of Directors

FRC/2014/PRO/DIR/003/00000007402

April 26, 2024

## Statement by the External Consultants on the **Board Evaluation** of Transcorp Power Limited (now Transcorp Power Plc) for the year ended December 31, 2023

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

The criteria for our review and report are benchmarked against principles in the NCCG, the Company's corporate governance framework, as well as global best practice.

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

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

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

The Board and its Committees are composed of seasoned professionals with a wealth of experience committed to the long-term success of the Company. It is a forward-thinking and cohesive Board, with an appropriate balance of skills and diversity including experience, age, and gender.

The Board executed its functions of Strategic Direction, Policy Formulation, Decision Making and Oversight within the year objectively and effectively. In 2023, succession planning was effective with the appointment of the new MD/CEO.

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

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



**Angela Aneke**  
Managing Director  
FRC/2013/IODN/00000002473

April 26, 2024

**Statement by the External Consultants on the Corporate Governance Evaluation of Transcorp Power Limited (now Transcorp Power Plc) for the year ended December 31, 2023**

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

The criteria for our review and report are benchmarked against principles in the NCCG, the Company's corporate governance framework, as well as global best practice.

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

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

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

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

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



**Angela Aneke**  
Managing Director  
FRC/2013/IODN/00000002473

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of Transcorp Power Plc are responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as at 31 December 2023, and the results of its operations, cash flows and changes in equity for the year then ended, in compliance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Allied Matters Act 2020, and the Financial Reporting Council of Nigeria Act, 2011.

In preparing the financial statements, the Directors are responsible for:

- Properly selecting and applying accounting policies.
- Presenting information, including accounting policies, in a manner that provides relevant, reliable, comparable, and understandable information.
- Providing additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of transactions, other events and conditions on the company's financial position and financial performance.

## Going Concern

The Directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe the Company will not remain a going concern in the year ahead.

The financial statements of the Company for the year ended 31 December 2023 were approved by the Directors on the 15th February, 2024.

**On behalf of the Directors of the Company.**



**Peter Ikenga**

Managing Director/Chief Executive Officer  
FRC/2021/PRO/DIR/003/00000023699



**Emmanuel Nnorom**

Chairman  
FRC/2014/PRO/DIR/003/00000007402

## CERTIFICATION BY COMPANY SECRETARY

In my capacity as Company Secretary, I hereby certify, in terms of the Companies and Allied Matters Act, that for the year ended 31 December 2023, the Company has lodged all such returns as are required of a company in terms of this Act, and that all such returns are, to the best of my knowledge and belief, true, correct and up to date.



**Stanley Chikwendu**

Company Secretary

FRC/2012/PRO/NBA/002/00000000590

**6th March 2024**

# CERTIFICATION OF FINANCIAL STATEMENTS

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

- i. audited financial statements do not contain any untrue statement of material fact or omit to state a material fact, which would make the statements misleading, in the light of the circumstances under which such statement was made, and
- ii. audited financial statements and all other financial information included in the statements fairly present, in all material respects, the financial condition and results of operation of the company as of and for, the periods covered by the audited financial statements.

We state that management and directors:

- i. are responsible for establishing and maintaining internal controls and has designed such internal controls to ensure that material information relating to the Company is made known to the officer by other officers of the company, particularly during the period in which the audited financial statement report is being prepared,
- ii. has evaluated the effectiveness of the company's internal controls within 90 days prior to the date of its audited financial statements, and
- iii. certifies that the company's internal controls are effective as of that date;

We have disclosed:

- i. all significant deficiencies in the design or operation of internal controls which could adversely affect the company's ability to record, process, summarise and report financial data, and has identified for the company's auditors any material weaknesses in internal controls, and
- ii. whether or not, there is any fraud that involves management or other employees who have a significant role in the company's internal control; and
- iii. as indicated in the report, whether or not, there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of their evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

The financial statements of the Company for the year ended 31 December 2023 were approved by the Directors on 15 February 2024.

**On behalf of the Directors of the Company.**



**Peter Ikenga**

Managing Director/Chief Executive Officer  
FRC/2021/PRO/DIR/003/00000023699



**Evans Okpogoro**

Chief Finance Officer  
FRC/2021/PRO/ICAN/001/00000023056

# INDEPENDENT AUDITORS' REPORT

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Transcorp Power Limited (Now Transcorp Power Plc.) set out on pages 62 to 101, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of financial position of Transcorp Power Limited (Now Transcorp Power Plc.) as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act (CAMA) 2020, and Financial Reporting Council Act 2023

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the requirements of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) and other independence requirements applicable to performing audits of financial statements in Nigeria. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements that are relevant to our audit of Financial Statements in Nigeria.

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

### Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, statement of Directors' responsibilities, certification of financial statements and other national disclosures, which we obtained prior to the date of this report. The other information does not include the financial statements and our auditor's report thereon.

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

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

### Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act 2020, the Financial Reporting Council Act, 2023 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### Report on Other Legal and Regulatory Requirements

In accordance with the Fifth schedule of Companies and Allied Matters Act 2020, we expressly state that:

- i. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii. The Company has kept proper books of account, so far as appears from our examination of those books.
- iii. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.



**Abraham Udenani, FCA – FRC/2013/ICAN/00000000853**

For: Deloitte & Touché

Chartered Accountants

Lagos, Nigeria

29 March 2024

# FINANCIAL STATEMENTS



## Statement of profit or loss and other comprehensive income

		31 December 2023	31 December 2022
	Notes	N'000	N'000
<b>Continuing operations</b>			
Revenue from contracts with customers	7	142,122,364	90,349,386
Cost of sales	8	(66,700,227)	(48,147,009)
<b>Gross profit</b>		<b>75,422,137</b>	<b>42,202,377</b>
Other operating income	9	597,949	189,109
Impairment loss on financial assets	12	(2,731,924)	(812,741)
Administrative expenses	11	(8,663,021)	(5,709,134)
<b>Operating profit</b>		<b>64,625,141</b>	<b>35,869,611</b>
Finance income	10	3,009,908	1,259,925
Finance cost	10	(7,694,082)	(4,379,945)
Foreign exchange loss	10	(7,177,266)	(4,130,614)
Profit before income tax	10.1	52,763,701	28,618,977
Income tax expense	13	(22,530,171)	(11,335,571)
<b>Profit for the year</b>		<b>30,233,530</b>	<b>17,283,406</b>
Other comprehensive (loss)/income: Items that will not be reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>30,233,530</b>	<b>17,283,406</b>
<b>Basic and diluted earnings per share (N)</b>	<b>14</b>	<b>92.25</b>	<b>218.36</b>

The notes on pages 66 to 101 are an integral part of these financial statements.

## Statement of financial position

### As at year ended 31 December 2023

	Notes	31 December 2023 N'000	31 December 2022 N'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	57,979,878	54,702,571
Intangible asset	16	9,701,191	9,701,191
Investments	22	2,373,892	2,208,918
		<b>70,054,961</b>	<b>66,612,680</b>
<b>Current assets</b>			
Inventories	17	1,760,790	4,314,347
Trade and other receivables	18	145,206,225	94,558,786
Cash and cash equivalents	19	6,368,572	2,701,632
<b>Total current assets</b>		<b>153,335,587</b>	<b>101,574,765</b>
<b>Total assets</b>		<b>223,390,548</b>	<b>168,187,445</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	24	3,750,000	40,108
Share premium	25	44,385,019	34,967,736
Retained earnings	26	9,727,327	2,956,132
<b>Total equity</b>		<b>57,862,346</b>	<b>37,963,976</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Borrowings	21.2	29,753,262	29,967,161
Deferred tax liabilities	13.3	9,198,374	5,056,075
		<b>38,951,636</b>	<b>35,023,236</b>
<b>Current liabilities</b>			
Trade and other payables	20	98,835,833	76,306,380
Current tax payable	13.1	20,181,722	5,789,349
Borrowings	21.2	7,559,011	13,104,504
<b>Total liabilities</b>		<b>165,528,202</b>	<b>130,223,469</b>
<b>Total equity and liabilities</b>		<b>223,390,548</b>	<b>168,187,445</b>

The financial statements and notes on pages 62 to 101 were approved by the Board of Directors on 15 February 2024 and signed on its behalf by:



**Peter Ikenga**  
MD/CEO  
FRC/2021/010/00000023699



**Evans Okpogoro**  
Chief Finance Officer  
FRC/3722021001000000023056



**Emmanuel Nnorom**  
Chairman  
FRC/2014/ICAN/00000007402

The notes on pages 66 to 101 form an integral part of these financial statements.

## Statement of changes in equity

	Share capital N'000	Share premium N'000	Retained earnings N'000	Total N'000
<b>Balance at 1 January 2022</b>	<b>39,468</b>	<b>31,127,668</b>	<b>2,839,001</b>	<b>34,006,137</b>
Profit for the year	-	-	17,283,406	17,283,406
Scrip issue	640	3,840,068	-	3,840,708
Dividends (Note 29)	-	-	(17,166,275)	(17,166,275)
<b>Balance at 31 December 2022</b>	<b>40,108</b>	<b>34,967,736</b>	<b>2,956,132</b>	<b>37,963,976</b>
Profit for the year	-	-	30,233,530	30,233,530
Scrip issue (Note 24)	2,625	13,124,550	-	13,127,175
Bonus issue (Note 24)	3,707,267	(3,707,267)	-	-
<b>Dividends (Note 29)</b>	<b>-</b>	<b>-</b>	<b>(23,462,335)</b>	<b>(23,462,335)</b>
<b>Total transactions with owners, recognised directly</b>	<b>3,709,892</b>	<b>9,417,283</b>	<b>6,771,195</b>	<b>19,898,370</b>
<b>Balance at 31 December 2023</b>	<b>3,750,000</b>	<b>44,385,019</b>	<b>9,727,327</b>	<b>57,862,346</b>

## Statement of cashflow

	Notes	31 December 2023 N'000	31 December 2022 N'000
<b>Cash generated from operations</b>			
Profit before tax		52,763,701	28,618,977
<b>Adjustment to reconcile profit before tax to net cash flows:</b>			
Depreciation of property, plant and equipment	11.1	4,757,058	3,472,313
Finance income	10	(3,009,908)	(1,259,925)
Finance cost	10	14,871,348	8,510,559
Disposal of Plant and Equipment	15	-	183,342
Profit from the side sale of Property, Plant and Equipment		-	(338)
Net Impairment allowance on financial assets	12	2,731,924	812,741
Effect of Foreign exchange loss	21.2	(3,714,153)	(739,083)
<b>Working capital adjustments:</b>			
Increase in trade and other receivables		(50,647,439)	(17,557,592)
Increase in inventories		(147,817)	(566,327)
Increase in trade and other payables		22,529,453	2,965,759
<b>Cash flows from operating activities</b>		<b>40,134,170</b>	<b>24,440,426</b>
Tax paid	13.1	(1,976,988)	(3,021,624)
<b>Net cash flows from operating activities</b>		<b>38,157,382</b>	<b>21,418,802</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	15	(4,883,077)	(4,326,546)
Investment in bonds/shares		-	(683,355)
Sales proceed of property, plant and equipment		-	820
Interest income	10	3,009,908	1,259,925
<b>Net cash used in investing activities</b>		<b>(1,873,169)</b>	<b>(3,749,156)</b>
<b>Financing activities</b>			
Dividend paid		(2,322,472)	(12,950,053)
Scrip issue		(13,127,175)	(3,840,707)
Proceeds from borrowings	21.2	14,949,597	15,767,246
Repayments of borrowings	21.2	(32,117,223)	(22,691,071)
<b>Net cash used in financing activities</b>		<b>(32,617,273)</b>	<b>(23,714,585)</b>
Net movement in cash and cash equivalents		3,666,940	(6,044,940)
Cash and cash equivalents at the beginning of the year		2,701,632	8,746,571
<b>Cash and cash equivalents at the end of the year</b>	19	<b>6,368,572</b>	<b>2,701,632</b>

The notes on pages 66 to 101 form an integral part of these financial statements.

# Notes to the Financial Statements

## 1. General information

Transcorp Power Plc. (formerly Transcorp Ughelli Power Limited) (“the Company”) was incorporated in Nigeria on 24 September 2012 under the Companies and Allied Matters Act as amended as a private limited liability company and is domiciled in Nigeria. The Company is a subsidiary of Transnational Corporation of Nigeria Plc (Transcorp).

The company’s principal activity is the generation and sale of electric power.

The financial statements are presented in Naira and all values are rounded to the nearest thousand (N’000), except when otherwise indicated.

### 1.1 Basis of preparation

The financial statements have been prepared in compliance with the International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Committee (IFRIC) and in the manner required by the Companies and Allied Matters Act (CAMA) 2020 and the Financial Reporting Council Act 2023. Further standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC.

The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

### 1.2 Financial period

These financial statements cover the financial year from 1 January 2023 to 31 December 2023, with comparative figures for the financial year ended 31 December 2022.

### 1.3 Going Concern

The Directors have at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing financial statements.

### 1.4 Composition of financial statements

The financial statements are drawn up in Naira, the functional currency of Transcorp Power Plc., in accordance with the International Financial Reporting Standards (IFRS). These financial statements comprise:

- Statement of profit or loss and other comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements.

Other National Disclosures

- Value added statement
- Five-year financial summary

## 2. Application of new and revised International Financial Reporting Standards (IFRS)

### 2.1 New and amended standards and interpretations that are effective for the current year

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

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

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

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

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

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

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

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

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

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

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

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

#### **2.2 New and revised IFRS Standards in issue but not yet effective**

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

1. Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
2. Amendments to IAS 1 Classification of Liabilities as Current or Non-current
3. Amendments to IAS 1 Non-current Liabilities with Covenants
4. Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
5. Amendments to IFRS 16 Lease Liability in a Sale and Leaseback

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

#### **Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures—Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent’s profit or loss only to the extent of the unrelated investors’ interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement

of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendment is to be determined by the IASB, however earlier application of the amendment is permitted. It is unlikely that the amendment will have a material impact on the Company's consolidated and separate financial statements.

#### **Amendments to IAS 1 Presentation of Financial Statements—Classification of Liabilities as Current or Noncurrent**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

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

The amendments to the definition of material are not expected to have a significant impact on the Company's consolidated financial statements.

#### **Amendments to IAS 1 Non-current Liabilities with Covenants**

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or noncurrent). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g., a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period. However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

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

#### **Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements**

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, IFRS 7 was amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk.

The term 'supplier finance arrangements' is not defined. Instead, the amendments describe the characteristics of an arrangement for which an entity would be required to provide the information. To meet the disclosure objective, an entity will be required to disclose in aggregate for its supplier finance arrangements:

- The terms and conditions of the arrangements
- The carrying amount, and associated line items presented in the entity's statement of financial position, of the liabilities that are part of the arrangements.

- The carrying amount, and associated line items for which the suppliers have already received payment from the finance providers.
- Ranges of payment due dates for both those financial liabilities that are part of a supplier finance arrangement and comparable trade payables that are not part of a supplier finance arrangement.
- Liquidity risk information

The amendments, which contain specific transition reliefs for the first annual reporting period in which an entity applies the amendments, are applicable for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

#### **Amendment to IFRS 16 Leases—Lease Liability in a Sale and Leaseback**

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate."

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15, is a lease liability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. If a seller-lessee applies the amendments for an earlier period, it is required to disclose that fact.

### **3. Material accounting policies**

#### **3.1 Accounting principles and policies**

Pursuant to the accrual basis of accounting followed by Transcorp Power Plc., the financial statements reflect the effects of transactions and other events when they occur. Assets and liabilities such as property, plant and equipment and intangible assets are measured at cost. Financial assets and liabilities are usually measured at fair values.

#### **3.2 Summary of material accounting policies**

The principal accounting policies adopted are set out below:

##### **a) Current versus non-current classification**

A liability is current when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

##### **b) Revenue from contract with customers**

The Company is in the business of generation and sales of electric power. The company also provides ancillary services of black start service to Transmission Company of Nigeria (TCN).

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

The Company has applied IFRS 15 practical expedient to a portfolio of contracts (or performance obligations) with similar characteristics since the Company reasonably expect that the accounting result will not be materially different from the result of applying the standard to the individual contracts. The Company has also been able to take a reasonable approach to determine the portfolios that would be representative of its types of customers and business lines. This has been used to categorise the different revenue streams detailed below.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3. (The company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers).

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

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

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

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

Capacity charge is recognised monthly based on the average available capacity declared at the beginning of the month. Revenue from energy sent out is calculated on the basis of megawatts of electricity pushed to the transmission grid. The capacity charge and energy sent out are included in revenue reported in the profit and loss account.

Contract for the sale of electric power begins on performance and revenue is recognised overtime using an output method to measure progress towards completion of the service because the customer simultaneously receives and consumes the benefits provided by the Company.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (if any). In determining the transaction price for the sale of electric power, the Company considers the existence of significant financing components and consideration payable to the customer.

#### **Ancillary Services**

Ancillary services relate to services provided by the Company, other than the primary production of electricity, which is used to operate a stable and secure Power System including but not limited to reactive power, operating reserve, frequency control and black start capability. The ancillary services are provided in line with the existing agreement.

The Company recognises revenue from ancillary services overtime as control is transferred.

#### **Significant financing component**

Using the practical expedient in IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component since it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

#### **Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

#### **c) Current and deferred tax**

The tax 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 Company'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 balance sheet 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 Company 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 Company 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.

#### **d) foreign currency translation**

##### **(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which Transcorp Power Plc. operates ('the functional currency'). The functional currency of Transcorp Power Plc. is the Nigerian Naira (N).

##### **(b) Transactions and balances**

Transactions in foreign currencies are initially recorded by the company's functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss as either foreign exchange loss or foreign exchange gain.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the company initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the company determines the transaction date for each payment or receipt of advance consideration.

#### **e) Property, plant and equipment**

Construction in progress is stated at cost, net of accumulated impairment losses, if any. 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 Company and the cost can be measured reliably. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance are charged to the Statement of Profit or loss during the financial period in which they are incurred.

Property, plant and equipment transferred from customers are initially measured at fair value at the date on which control is obtained.

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 - Turbines	2.5%
Furniture and fittings	20%
Computer equipment	10%
Motor vehicles	20%

The Company allocates the amount initially recognised 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 derecognised when replaced. Residual values, method of amortisation 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 its 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.

## **f) Intangible assets**

### **Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over Transcorp Ughelli Power 's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree, Ughelli Power Plc 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 company's of CGUs, that is expected to benefit from the synergies of the combination. Each unit or company 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.

For purposes of impairment testing, each turbine set is treated as a cash generating unit.

Costs associated with maintaining computer software programs 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 Company are recognised as intangible assets when the following criteria are met:

- the directors intend 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.

#### **g) 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 computed 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.

#### **h) 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. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds.

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.

Currently, the Company has no qualifying assets on which borrowing costs are being capitalised.

#### **i) financial instruments (Recognition and measurement)**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **i) Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies of Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

#### **Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Company. The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows And
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
- The Company's financial assets at amortised cost include trade receivables, staff loans, cash and cash equivalents, treasury bills and related parties' receivables.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired Or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### **Impairment of financial assets**

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 3
- Trade receivables

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL)

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

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g., a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost.
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
- an actual or expected significant deterioration in the operating results of the debtor.
- significant increases in credit risk on other financial instruments of the same debtor.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## ii) financial liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings.

### Subsequent measurement

The measurement of financial liabilities depends on their classification.

#### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

#### Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 21.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **j) Inventories**

Inventory is stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. The cost of inventory includes purchase costs and costs directly attributable to the purchase.

Inventory comprises of engineering spares that are not ready for use (complex installation process), tools and lubricants.

Subsequent to initial recognition, inventory is measured at the lower of cost and net realisable value. Any write down of inventory to net realisable value is recognised in the statement of profit or loss. Inventories are stated at the lower of cost and estimated net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

#### **k) Cash, cash equivalents and bank overdrafts**

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

#### **l) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are not recognised for future operating losses.

#### **m) Fair value measurement**

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

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

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

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

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

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

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

Fair-value related disclosures for financial instruments that are measured at fair value or where fair values are disclosed, is summarised below:

- Financial instruments (including those carried at cost) Note 6.2

#### **n) Dividend distribution**

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws of Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. In respect of interim dividends, these are recognised when declared by the Board of Directors.

#### **o) 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.

#### **Retained earnings**

Retained earnings comprise the undistributed profits from previous years, which have not been reclassified to the other reserves.

#### **Share premium**

Share premium refers to the excess of the share price paid for the Company's shares by the shareholders over the nominal value of the shares issued.

### **3.3 Significant accounting judgements, estimates and assumptions**

In the application of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

#### **3.3.1 Critical Judgement in Applying the Company's Accounting Policies**

The following are the critical judgements, apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **Revenue from contracts with customers**

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

##### **Determining the timing of satisfaction**

The company concluded that revenue from energy and capacity charge will be recognised overtime because, as the company performs, the customer simultaneously receives and consumes the benefits provided by the company's performance.

The company has determined that the output method is the best method in measuring progress rendering the services to the customer. The Output method recognises revenue based on direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The company has assessed that there is a direct relationship between the company's measurement of the value of goods or services transferred to date, relative to the remaining goods or services promised under the contract.

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

### **Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The recognition and measurement for contingent liabilities is based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, the management are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Company are remote.

### **Key sources of estimation uncertainties**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The fair value of the assets of is based on the market value. This is the price which an asset may be reasonably expected to be realised in a sale in a private contract. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 16.

### **Provision for expected credit losses of trade receivables and contract assets**

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the company's trade receivables is disclosed in Note 5.

### **Impairment of property, plant and equipment and right-of-use assets**

The Company assesses annually whether property, plant and equipment have any indication of impairment, in accordance with relevant accounting policies. The recoverable amounts of property, plant and equipment and right-of-use assets have been determined based on value-in use calculations. These calculations and valuations require the use of judgment and estimates on future operating cash flows and discount rates adopted.

The carrying amount of the Company's property, plant and equipment at the end of reporting period is disclosed in Note 15 to the financial statements.

### **Estimation of useful lives of property, plant and equipment**

As described in Note 3.2 (e), the Company reviews the estimated useful life of property, plant and equipment at each reporting date. In assessing the useful life of property, plant and equipment, and specially with respect to the plant and

equipment, and specially with respect to the plant and ancillary facilities management considers, amongst other things, the expected usage of the assets by the Company and the terms of relevant sales and purchase agreements. Any changes in estimating the remaining useful life of property, plant and equipment will result in a higher or lower level of depreciation expenses in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management Note 4
- Financial instruments risk management and policies Note 5
- Sensitivity analyses disclosures Note 5

#### 4. Capital management

For the purpose of the Company's capital management, capital includes issued capital, share premium and retained earnings attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and adjusts in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 50% and 70%. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances.

	31 December 2023 N'000	31 December 2022 N'000
Interest-bearing loans and borrowings (Note 21.2)	37,312,273	43,071,665
Less: cash and cash equivalent (Note 18)	(6,368,572)	(2,701,632)
<b>Net debt</b>	<b>30,943,701</b>	<b>40,370,033</b>
Total capital: Equity	57,862,346	37,963,976
<b>Capital and net debt</b>	<b>88,806,047</b>	<b>78,334,009</b>
<b>Gearing ratio</b>	<b>35%</b>	<b>51%</b>

#### 5 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board has established the finance and investment committee, who is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the Board of Directors on its activities.

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

The Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is supported by various management functions that checks and undertakes both regular and ad hoc reviews of compliance with established controls and procedures.

##### 5.1 Financial risk factors

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company does not hedge any of its risk exposures.

Risk management is carried out in line with policies approved by the board of directors. The board provides written policies for overall risk management, as well as set the overall risk appetite for the Company. Specific risk management approaches are defined for respective risks such as interest rate risk, credit risk, liquidity and investment risk.

The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance.

#### (a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk in the Company are borrowings and deposits.

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is been reduced since the Company's long-term debt obligations are fixed interest rates.

#### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

Management monitors rolling forecasts of the Company's liquidity reserve and cash and bank balances (Note 18) on the basis of expected cash flows.

This is generally carried out in accordance with practice and limits set by the Company. These limits vary to take into account the liquidity of the market in which the entity operates. In addition, the Company'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.

#### (d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency denominated borrowings that the Company has.

Foreign currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured. Translation related risks are therefore not included in the assessment of the entity's exposure to currency risks.

	31 December 2023 N'000	31 December 2022 N'000
<b>Cash and bank balances:</b>	<b>(493,781)</b>	<b>7,417</b>
USD	(549)	17
<b>Financial liabilities:</b>		
Other payables	4,483,313	1,490,680
USD	4,987	3,592
Borrowings	1,022,703	13,104,504
USD	1,138	28,426

#### Foreign Currency Sensitivity

The sensitivity analysis for currency rate risk shows how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in exchange rates at the reporting date. The Company has borrowings, trade payables and cash denominated foreign currencies.

The table below shows the impact on the Company's profit and equity if the exchange rate between the Naira and the US Dollars had increased or decreased by 2%, with all other variables held constant:

	31 December 2023	31 December 2022
Impact on profit or loss	N'000	N'000
US/NGN exchange rate- increase 10% (2023: 10%)	2,999,898	291,755
US/NGN exchange rate- increase 10% (2023: 10%)	2,999,898	291,755

### (i) Credit 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 credit ratings (if available) or to historical information about counterparty default rates. There are no credit ratings for Transcorp Power Plc.'s trade and other receivables.

### (iii) Impairment of trade receivables

For trade receivables, the Company applied the simplified approach in computing ECL. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions, and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 18. The Company does not hold collateral as security.

Set out below is the information about the credit risk exposure on the Company's trade receivables using provisional matrix

As at 31 December 2023 In thousands of naira	Trade receivables						Total
	Days past due						
	<30 days	31 - 60 days	61 - 360 days	361 - 720 days	>720 days		
Expected credit loss rate	0.00%	0.00%	4.05%	8.99%	19.40%		
Estimated total gross carrying amount at default	35,800,819	11,234,304	26,630,226	21,456,139	27,133,972	122,255,460	
Expected credit loss	-	-	1,077,462	1,928,705	5,264,840	8,271,007	

As at 31 December 2022 In thousands of naira	Trade receivables						Total
	Days past due						
	<30 days	31 - 60 days	61 - 360 days	361 - 720 days	>720 days		
Expected credit loss rate		0.00%	6.93%	7.41%	11.24%		
Estimated total gross carrying amount at default	14,271,144	6,557,254	2,838,991	13,028,713	43,189,204	79,885,306	
Expected credit loss	-	-	196,742	965,428	4,854,882	6,017,252	

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

	2023		2022
	2023	2022	
In thousands of Naira			
Balance as at 1 January	6,017,252	6,141,337	
Write back of impairment no longer required (Note 12)	-	(857,880)	
Impairment charged for the year (Note 12)	2,253,755	733,795	
Balance at 31 December	8,271,007	6,017,252	

#### **(iv) Impairment of other financial assets**

##### **Expected credit loss measurement - other financial assets**

The Company applied the general approach in computing expected credit losses (ECL) for intercompany receivables. The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed up. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation such as how the maturity profile of the PDs, etc. are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

##### **Analysis of inputs to the ECL model under multiple economic scenarios**

An overview of the approach to estimating ECLs is set out in Note 2 Summary of significant accounting policies and in Note 3 Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Company obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Company's ECL models including determining the weights attributable to the multiple scenarios. The following tables set out the key drivers of expected loss and the assumptions used for the Company's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2022 and 31 December 2023.

The tables below show the values of the key forward looking economic variables/assumptions used in each of the economic scenarios for the ECL calculations. The figures for "Subsequent years" represent a long-term average and so are the same for each scenario.

31 December 2023			Assigned Probabilities	ECL Scenario	2024
<b>Key drivers</b>					
<b>Crude Oil Price (USD)</b>					
	50%	Upturn	124.28	124.28	124.28
	50%	Base	80.88	80.88	80.88
	-%	Downturn	33.99	33.99	33.99
<b>Unemployment rate %</b>					
	10%	Upturn	0.44	0.44	0.44
	80%	Base	0.44	0.44	0.44
	10%	Downturn	0.44	0.44	0.44
<b>Inflation rate %</b>					
	-%	Upturn	0.13	0.13	0.13
	83%	Base	0.17	0.17	0.17
	17%	Downturn	0.22	0.22	0.22

31 December 2022			Assigned Probabilities	ECL Scenario	2024
<b>Key drivers</b>					
<b>Crude Oil Price (USD)</b>					
	10%	Upturn	54.96	124.28	124.28
	80%	Base	53.87	80.88	80.88
	10%	Downturn	51.91	33.99	33.99
<b>Unemployment rate %</b>					
	10%	Upturn	0.36	0.44	0.44
	80%	Base	0.37	0.44	0.44
	10%	Downturn	0.33	0.44	0.44
<b>Inflation rate %</b>					
	10%	Upturn	0.11	0.13	0.13
	83%	Base	0.11	0.17	0.17
	10%	Downturn	0.10	0.22	0.22

### Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

### (e) Liquidity risk

#### Management of liquidity risk

Cash flow forecasting is performed by the finance department. The finance department monitors rolling forecasts of liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities. Such forecasting takes into consideration the covenant compliance, and compliance with internal financial position ratio.

Prudent liquidity risk management implies that sufficient cash is maintained, and that sufficient funding is available through an adequate amount of committed credit facilities.

## Maturity analysis

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. There is concentration risk in this regard as United Bank for Africa Plc is the major lender to the Company.

31 December 2022 Financial liabilities	0 - 30 days N'000	31 - 180 days N'000	181 - 365 days N'000	Over 1 year but less than 5 years N'000	Over 5 years N'000	Total N'000
Trade and other payables	29,546,359	22,326,641	46,962,833	-	-	98,835,833
Borrowings	1,859,958	4,261,456	1,437,597	22,547,657	7,205,605	37,312,273
	<b>30,569,062</b>	<b>29,200,257</b>	<b>49,479,242</b>	<b>6,247,636</b>	<b>20,651,909</b>	<b>136,148,106</b>

31 December 2022	0 - 30 days	31 - 180 days	181 - 365 days	Over 1 year but less than 5 years	Over 5 years	Total
Financial liabilities	N'000	N'000	N'000	N'000	N'000	N'000
Trade and other payables	27,670,544	4,165,314	44,270,522	-	-	76,106,380
<b>Borrowings</b>	<b>8,729,434</b>	<b>1,472,559</b>	<b>2,902,511</b>	<b>22,547,657</b>	<b>7,419,504</b>	<b>43,071,665</b>
	<b>36,399,978</b>	<b>5,637,873</b>	<b>47,173,033</b>	<b>7,179,949</b>	<b>22,787,212</b>	<b>119,178,045</b>



## 6.2 Fair value measurement

Fair value measurement hierarchy for liabilities as at 31 December 2023:

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		N '000	N '000	N '000	N '000
Interest-bearing loans and borrowings:	31-Dec-23	37,312,273	-	37,312,273	-
Interest-bearing loans and borrowings:	31-Dec-22	43,071,665	-	43,071,665	-

The fair value of the instruments classified as Level 2 (see above) was calculated using the discounted cash flow method. 3-month LIBOR rate was used for discounting future cash flows. There were no financial instruments that are measured at amortised cost and the fair value disclosed was classified as Level 3 either in current year or in prior year.

## 7 Revenue from contracts with customers

Disaggregated revenue information

	31 December 2023	31 December 2022
	N'000	N'000
Capacity charge	47,072,728	32,061,245
Energy delivered	95,025,936	58,264,441
Ancillary services	23,700	23,700
<b>Total revenue from contracts with customers</b>	<b>142,122,364</b>	<b>90,349,386</b>
Timing of revenue recognition Services transferred over time	142,122,364	90,349,386
<b>Total revenue from contracts with customers</b>	<b>142,122,364</b>	<b>90,349,386</b>
<b>Revenue generated from:</b>		
Local customers	116,776,896	78,751,220
International customers	25,345,468	11,598,166
<b>Total revenue from contracts with customers</b>	<b>142,122,364</b>	<b>90,349,386</b>

There is no other revenue item outside IFRS 15

Ancillary services include earnings from Blackstart operations and frequency control services provided.



## 11 Administrative expenses

	31 December 2023 N'000	31 December 2022 N'000
Auditors' remuneration	49,368	37,975
Bank charges	102,443	188,654
Depreciation.	55,359	19,254
Directors' remuneration	196,783	178,990
Donations	-	636,815
Corporate Social Responsibility	1,166,621	-
Insurance.	72,448	3,384
Management fees	4,388,470	2,399,807
Marketing and promotion	16,572	6,392
Other operating expenses	1,162,258	1,399,177
Professional fees	124,430	70,011
Rent and rates	129,638	19,851
Repairs and maintenance	253,613	143,580
Security services	105,640	89,483
Staff costs	522,234	361,215
Pension cost	21,173	19,172
Subscriptions and fees	40,413	19,823
Travel and accommodation	255,557	115,551
	<b>8,663,021</b>	<b>5,709,134</b>

Included in staff cost is N205.4 million (2022: N161 million) paid to teachers of Transcorp Power Plc. Staff School. The staff school is seen by management as part of the Corporate Social Responsibility of the Company and the net expenses are included in other operating expenses. Also Included in the other operating expenses are entertainment, feeding/ canteen expenses, medical expenses, printing and stationery, ICT expenses, community relates expenses and other admin expenses.

Deloitte rendered no non-audit services to the company during the year.

### 11.1 Total depreciation included in the statement of profit or loss

	31 December 2023 N'000	31 December 2022 N'000
Depreciation- Cost of sales (Note 8)	4,701,699	3,453,059
Depreciation- Administrative expenses (Note 11)	55,359	19,254
<b>Total depreciation expense</b>	<b>4,757,058</b>	<b>3,472,313</b>

## 12 Impairment loss on financial assets

Trade receivables (Note 5)	1,276,079	280,711
TLF Provision (Note 5.1, 34)	977,676	453,084
Due from related companies	478,169	78,946
<b>Total impairment loss on financial assets</b>	<b>2,731,924</b>	<b>812,741</b>

## 13 Income Tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	31 December 2023 N'000	31 December 2022 N'000
Under provision of tax in prior years	2,018,511	-
Current income tax	14,813,518	4,828,541
Education tax	1,553,201	789,878
Police Trust Fund	2,638	1,431
	18,387,869	5,619,850
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	4,142,302	5,715,721
<b>Income tax expense reported in the statement of profit or</b>	<b>22,530,171</b>	<b>11,335,571</b>

### 13.1 The movement in tax payable is as follows:

Balance as at 1 January	5,789,349	3,191,123
Income tax for the year	14,816,160	4,828,541
Tertiary Education tax for the year	1,553,201	791,309
Tax paid during the year	<b>(1,976,988)</b>	<b>(3,021,624)</b>
<b>Balance as at 31 December</b>	<b>20,181,722</b>	<b>5,789,349</b>

Corporate tax is calculated at 30 per cent of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act as amended. The charge for education tax of 2.5 percent is based on the provisions of the Education Tax Act, as Amended.

**13.2** A reconciliation between tax expense and the product of accounting profit multiplied by Nigeria's domestic tax rate (30%) for the years ended 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023 N'000	31 December 2022 N'000
Profit before tax	52,763,701	28,618,977
Tax at Nigeria Corporation Tax Rate of 30% (2022: 30%)	15,829,110	8,585,693
Tertiary Education tax	1,553,201	789,878
Nigeria Police Trust Fund	2,638	1,431
deductible income	10,902,759	6,157,062
Donation and CSR	(1,166,370)	(636,715)
Other non-deductible expenses	(4,591,166)	(3,561,778)
<b>Tax charge for the year</b>	<b>22,530,171</b>	<b>11,335,571</b>
Effective income tax rate	43%	40%

### 13.3 Deferred tax assets

	31 December 2022 N'000	31 December 2021 N'000
<b>Deferred tax relates to the following:</b>		
<b>Statement of financial position</b>		
Accelerated depreciation for tax purposes	14,679,946	14,125,111
Expected credit losses of debt financial assets	(3,113,073)	(2,178,030)
Unrealised FX losses	(2,368,498)	(1,342,450)
Losses available for offsetting against future taxable income	-	(5,548,556)
<b>Net deferred tax (assets)/liabilities</b>	<b>9,198,375</b>	<b>5,056,075</b>
<b>Statement of profit or loss</b>		
Accelerated depreciation for tax purposes	14,679,946	14,125,111
Expected credit losses of debt financial assets	(3,113,073)	(2,178,030)
Unrealised FX losses	(2,201,333)	(1,175,285)
Losses available for offsetting against future taxable income	(5,223,238)	(5,056,075)
<b>Deferred tax expense/(benefit)</b>	<b>4,142,302</b>	<b>5,715,721</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### 14 Basic and diluted earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year. There were no potentially dilutive ordinary shares at either year end; hence the basic and diluted earnings per share have the same value.

	31 December 2023 N'000	31 December 2022 N'000
Profit for the year attributable to shareholders (in ₦)	30,233,530	17,283,406
Weighted average number of shares in issue	327,751	79,150
Basic earnings per share (N)	92.25	218.36

The denominator for the purposes of calculating basic earnings per share is based on the weighted average number of ordinary shares of N0.50 each.

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

## 15 Property, plant and equipment

	Land N'000	Building N'000	Furniture and fittings N'000	Plant and machinery N'000	Motor vehicles N'000	Motor vehicles N'000	Work in progress N'000	Total N'000
<b>Cost</b>								
1 January 2022	442,348	1,766,473	277,732	69,315,970	136,872	-	5,404,067	77,343,462
Additions	358,612	-	136,234	1,859,979	-	-	1,971,721	4,326,546
Disposals	-	-	(890)	-	-	-	(183,341)	(184,231)
Reclassification	-	-	-	3,971,036	-	-	(3,971,036)	-
<b>31 December 2022</b>	<b>800,960</b>	<b>1,766,473</b>	<b>413,076</b>	<b>75,146,985</b>	<b>136,872</b>	<b>-</b>	<b>3,221,411</b>	<b>81,485,777</b>
<b>1 January 2023</b>	<b>800,960</b>	<b>1,766,473</b>	<b>413,076</b>	<b>75,146,985</b>	<b>136,872</b>	<b>-</b>	<b>3,221,411</b>	<b>81,485,777</b>
Additions	41,500	-	65,951	-	97,287	-	4,678,339	4,883,077
Reclassification	-	-	-	1,377,663	-	-	(1,377,663)	-
Transfer	-	-	-	-	-	3,151,287	-	3,151,287
<b>31 December 2023</b>	<b>842,460</b>	<b>1,766,473</b>	<b>479,027</b>	<b>76,524,648</b>	<b>234,159</b>	<b>3,151,287</b>	<b>6,522,087</b>	<b>89,520,141</b>
<b>Accumulated depreciation and impairment:</b>								
<b>1 January 2022</b>	<b>-</b>	<b>256,562</b>	<b>251,082</b>	<b>22,678,472</b>	<b>125,185</b>	<b>-</b>	<b>-</b>	<b>23,311,301</b>
Depreciation for the year	-	35,333	8,169	3,418,401	10,410	-	-	3,472,313
Disposals	-	-	(409)	-	-	-	-	(409)
<b>31 December 2022</b>	<b>-</b>	<b>291,895</b>	<b>258,842</b>	<b>26,096,873</b>	<b>135,595</b>	<b>-</b>	<b>-</b>	<b>26,783,205</b>
1 January 2023	-	291,895	258,842	26,096,873	135,595	-	-	26,783,205
Depreciation for the year	-	35,545	54,998	4,628,173	38,342	-	-	4,757,058
<b>31 December 2023</b>	<b>-</b>	<b>327,440</b>	<b>313,840</b>	<b>30,725,046</b>	<b>173,937</b>	<b>-</b>	<b>-</b>	<b>31,540,263</b>
<b>Carrying amounts</b>								
<b>31 December 2022</b>	<b>800,960</b>	<b>1,474,578</b>	<b>154,234</b>	<b>49,050,112</b>	<b>1,276</b>	<b>-</b>	<b>3,221,411</b>	<b>54,702,571</b>
<b>31 December 2023</b>	<b>842,460</b>	<b>1,439,033</b>	<b>165,185</b>	<b>45,799,603</b>	<b>60,221</b>	<b>3,151,288</b>	<b>6,522,086</b>	<b>57,979,878</b>

**15.1:** The transfer relates to capital spares previously classed as inventory but now classed as capital spares.

**15.2:** None of these assets are impaired nor pledged as security or collateral.

## 16 Intangible asset

	31 December 2023 N'000	31 December 2022 N'000
Goodwill		
Balance at 1 January	9,701,191	9,701,191
Adjustments	-	-
<b>Balance at 31 December</b>	<b>9,701,191</b>	<b>9,701,191</b>

Goodwill arose from the excess of the consideration over acquisition-date fair values of identifiable asset i.e. purchase of Ughelli Power Plc on 1 November 2013. The goodwill amount relates to pre-existing goodwill from previous business combinations.

In assessing goodwill impairment at 31 December 2022 and 2021, the Company compared the aggregate recoverable amount of the asset to the carrying amounts. Recoverable amount has been determined based on the value in use using five-year cash flow budgets approved by directors that made maximum use of observable markets for inputs and outputs. For periods beyond the budgeted period, cash flows were extrapolated using growth rates that do not exceed the long-term average for the business.

The key assumptions used for the value-in-use calculations are as follows :

	31 December 2023 N'000	31 December 2022 N'000
Budgeted gross margin %	48%	45%
Weighted average growth rate	5.7%	2.5%
Pre-tax discount rate	<b>25%</b>	<b>16%</b>

## 17 Inventories

	31 December 2023 N'000	31 December 2022 N'000
General stores	1,570,595	4,199,569
Stationery	48,218	21,840
Lubricant	141,977	92,938
	<b>1,760,790</b>	<b>4,314,347</b>

General stores, stationery and lubricants are carried as inventories and recognised in profit or loss as consumed. The cost of inventories recognised as an expense and included in 'cost of sales' amounted to N1.930 billion (2022: N1.844 billion). The impairment provision on inventory is based on specific identification of damaged items that are assessed as unlikely to be usable effectively for intended purposes. There was no inventory written down during the year. We transferred the capital spares from inventory to capital spares as indicated in Note 15.

## 18 Trade and other receivables

	31 December 2023 N'000	31 December 2022 N'000
Trade receivables (Note 18.1)	113,984,453	73,868,053
Due from related companies *** (Note 18.2)	30,740,926	20,234,243
Prepayments	119,794	216,996
Advances to suppliers	331,625	172,311
Other receivables	29,427	67,183
	<b>145,206,225</b>	<b>94,558,786</b>

\*\*\* Included in the amount due from related companies is intercompany loan receivables amounting to N4.69bn during the year (FY 2022 N7.8bn) repayable within a year and interest rate ranging from 13% to 16% per annum.

### 18.1 Trade receivables

	31 December 2023 N'000	31 December 2022 N'000
Trade receivables	122,255,460	79,885,305
Less: provision for impairment of trade receivables (Note 5.1)	(8,271,007)	(6,017,252)
<b>Trade receivables</b>	<b>113,984,453</b>	<b>73,868,053</b>

### Interest clause in the Power Purchase Agreement

The Company is entitled to interest on electricity bills that are not paid within the contractual period as stipulated in the Power Purchase Agreement (PPA) signed with the Company's sole customer (NBET) on 21 February 2013. The Company started selling electricity to NBET in 2015 and had not recognised any interest since then 2019, the Regulator (NERC) ordered an industry wide reconciliation of outstanding amount of electricity supplied including all applicable interest on electricity bills that were not paid by NBET within the contractual period stipulated in the PPA.

The reconciliation was done during the year and the interest component amounted to ₦45.34billion (2022: ₦44.68billion). The Board of Directors decided not to recognize but to disclose the interest income in the financial statements as no payment has been made by NBET.

### 18.2 Due from related companies

	31 December 2023 N'000	31 December 2022 N'000
Receivables from related parties (Note 23.1)	31,903,475	20,918,623
Less: provision for impairment loss	(1,162,549)	(684,380)
	<b>30,740,926</b>	<b>20,234,243</b>

## 19 Cash and cash equivalents

	31 December 2023 N'000	31 December 2022 N'000
Cash in hand	1	43
Cash at bank	2,715,146	1,679,741
Fixed deposit	3,653,425	1,021,848
Bank and cash balances	6,368,572	2,701,632
<b>Cash and cash equivalents</b>	<b>6,368,572</b>	<b>2,701,632</b>

Cash and cash equivalents comprise cash and bank balances. The carrying amount of these assets approximate their fair value.

## 20 Trade and other payables

	31 December 2023 N'000	31 December 2022 N'000
Trade payables (Note 20.1)	67,993,801	55,499,711
Other payables	12,395,517	6,218,915
Accruals	3,928,563	4,200,955
Withholding tax	1,854,241	2,728,213
PAYE tax deductions	2,896	1,598
Dividend payable (Note 20.2)	12,660,814	7,656,988
	<b>98,835,832</b>	<b>76,306,380</b>

**Note 20.1** The trade payables relate to gas supplier's payables and the other payables are vendors that supplied various materials and provided services to the company.

**Note 20.2** The dividend payables relate to interim dividend of N23.46bn declared by the company for the financial year 2023 and the portion relating to the parent company has been classed as an intercompany balance. The balance amount of the dividend is as shown in note 20 above.

## 21 Financial assets and financial liabilities

### 21.1 Financial assets

	31 December 2023 N'000	31 December 2022 N'000
Debt instruments at amortised cost		
Trade receivables (Note 18)	113,984,453	73,868,053
Due from related companies (Note 18.2)	30,740,926	20,234,243
	<b>144,725,379</b>	<b>94,102,296</b>

Debt instruments at amortised cost include trade receivables and receivables from related parties.

## 21.2 Financial liabilities: Interest-bearing loans and borrowings

	Maturity	31 December 2023	31 December 2022
		N '000	N '000
Term loan	2023 - 2030	36,289,570	29,967,161
\$215 million acquisition loan	2023	1,022,703	13,104,504
Non-current		29,753,262	29,967,161
Current		7,559,011	13,104,504
		<b>37,312,273</b>	<b>43,071,665</b>

### Movement in interest-bearing loans and borrowings

	31 December 2023	31 December 2022
	N'000	N'000
The movement in borrowings is as follows:		
Balance as at 1 January	43,071,665	44,876,462
Additions	14,949,597	15,767,246
Interest accrued (Note 10)	7,694,081	4,379,945
Repayments	(32,117,223)	(22,691,071)
Foreign exchange difference	3,714,153	739,083
Balance as at 31 December	<b>37,312,273</b>	<b>43,071,665</b>

### Term loans

Term loans are facilities obtained by the Company from its bankers. These facilities are repayable by instalments at various dates between 2023 and 2030 with interest rate ranging from 15.5% to 19% per annum.

### \$215 million acquisition loan

\$215 million acquisition loan obtained by the Company from its bankers for the purpose of acquiring 100% interest in Ughelli Power Plc. The balance was due for repayment in December 2021. However, in January 2022, the tenor of the loan was restructured to 2023 with a floating interest rate of 90 days LIBOR +8.5% and loan should have been repaid in FY 2023 but the Company defaulted with the last instalment payment of \$1.6m in December 2023 which was subsequently settled in January 2024.

### Security on loans

The securities to the lenders over the company's borrowings include the irrevocable domiciliation of the company's operational proceeds with the lender, the assignment of rights over all material contracts and Legal Charge over the shares of the Sponsor.

## 22 Investment

	31 December 2023	31 December 2022
	N'000	N'000
Investment in shares	602,650	602,650
Investment in bond securities	1,771,242	1,606,268
	<b>2,373,892</b>	<b>2,208,918</b>

The investment in shares includes 5% shareholding in Afam Power Plc and 15% shareholding of Joelan. Joelan owns 60% of Abuja Electricity Distribution Company (AEDC) and the investment in bond securities has a maturity date of November 26, 2026 at 11%.

## 23 Related party transactions and balances

Balances with related parties during the year

The Company is a subsidiary of Transnational Corporation Plc which is domiciled in Nigeria. The parent company, Transnational Corporation Plc provided management services during the year to the Company and other intercompany related expenses/transaction.

### 23.1 Balances with related parties during the year

Receivables from related parties	Nature of relationship	31 December 2023 N'000	31 December 2022 N'000
Transnational Corporation Plc	Parent company	14,085,802	7,714,200
Transcorp Hotel Plc, Abuja	Subsidiary of the group	8,705,181	8,199,929
Transcorp OPL 281 Limited	Subsidiary of the group	14,017	14,017
Transcorp Hotel Calabar	Subsidiary of the group	102	102
Trans-Afam Power Limited	Subsidiary of the group	8,896,373	4,788,375
Transcorp Energy Limited	Subsidiary of the group	200,000	200,000
Teragro Commodities Limited	Subsidiary of the group	2,000	2,000
		<b>31,903,475</b>	<b>20,918,623</b>

The receivables from the related parties are short-term interest-bearing amounts arising from settlement of expenses. The interest rates range from 13% to 16% per annum and included in the related parties' balances are intercompany loan receivables amounting to N4.69bn during the year (FY 2022 N7.8bn) repayable within a year and interest rate ranging from 13% to 16% per annum. The accrued interest income from the intercompany loans during the year is N3bn (FY 2022 N445mn).

There was provision recognised in the current and prior year for bad or doubtful debts in respect of the amounts owed by related parties. (Note 11)

#### Terms and conditions of transactions with related parties

All transactions are made on terms equivalent to those that prevail in arm's length transactions. There have been no guarantees provided or received for any related party receivables. For the year ended 31 December 2023, the Company recognized N478mn (2022: N78mn) as provision for expected credit losses relating to amounts owed by related parties.

#### b. Key management personnel

Key management personnel constitute those individuals who have the authority and the responsibility for 'planning, directing and controlling the activities of Transcorp Power Plc, directly or indirectly, including any director (whether executive or non-executive). The individuals who comprise the key management personnel are the Board of Directors as well as certain key management and officers.

Directors' emoluments are disclosed in Note 27.

## 24 Share capital

	31 December 2023 N'000	31 December 2022 N'000
Allotted, called up, issued, and fully paid:		
At 1 January	40,108	39,468
Scrip issues - 5,250,870 (FY 2023) ; 1,280,236 (FY 2022) number of shares (Note 26.1)	2,625	640
<b>New Shares as a bonus issue</b>	<b>3,707,267</b>	-
	<b>3,750,000</b>	<b>40,108</b>

On 19 December 2023 Transcorp Power Plc increased its share capital from ₦42,733,641.50 divided into 85,467,283 ordinary shares of ₦0.50 each to ₦3,750,000,000.00 divided into 7,500,000,000 ordinary shares of ₦0.50 each by the creation of an additional 7,414,532,717 ordinary shares of ₦0.50 each. These shares are to be financed from share premium.

## 25 Share premium

	31 December 2023 N'000	31 December 2022 N'000
Balance as at 1 January	34,967,736	31,127,668
Scrip issued (Note 25.1)	13,124,550	3,840,068
New Shares as a bonus issue (Note 25.2)	(3,707,267)	-
<b>Balance as at 31 December</b>	<b>44,385,019</b>	<b>34,967,736</b>

**25.1** During the year, the Directors recommended a scrip issue of three new share for every thirty-nine (39) shares which is to be paid for from the declared dividend (scrip dividend). Some shareholders exercised their rights while some did not. Total shares taken was 5,250,870. The shares were issued at a premium above the nominal value of ₦0.50k per share.

**25.2** During the year, the company authorized the increase of its share capital from ₦42,733,641.50 divided into 85,467,283 ordinary shares of ₦0.50 each to ₦3,750,000,000.00 divided into 7,500,000,000 ordinary shares of ₦0.50 each by the creation of an additional 7,414,532,717 ordinary shares of ₦0.50 each (such additional shares “the New Shares”), the New Shares to rank pari passu in all respects with the existing ordinary shares in the share capital of the Company. These additional shares were paid from the share premium account.

## 26 Retained earnings

	31 December 2023 N'000	31 December 2022 N'000
Balance as 1 January	2,956,132	2,839,001
Profit for the year	30,233,530	17,283,406
Interim dividend (Note 30)	(23,462,335)	(17,166,275)
<b>Balance as at 31 December</b>	<b>9,727,327</b>	<b>2,956,132</b>

## 27 Particulars of employees and directors

The table below shows the number of employees (excluding directors), who earned emoluments in the year and were within the bands stated.

Employees	31 December 2023	31 December 2022
	Number	Number
Less than N1,000,000	-	5
N1,000,001 - N2,000,000	24	32
N2,000,001 - N5,000,000	50	94
Above N5,000,000	110	52
	<b>184</b>	<b>183</b>

	31 December 2023 N'000	31 December 2022 N'000
Staff costs for the above persons (excluding Directors):		
Salaries and wages	1,250,446	1,007,317
Pension cost	21,173	19,172
	<b>1,271,619</b>	<b>1,026,489</b>

### Analysis of staff costs:

Cost of sales (Note 8)	728,212	646,102
Administrative expenses (Note 11)	543,407	380,387
	<b>1,271,619</b>	<b>1,026,489</b>

### Emoluments of directors

The remuneration paid to the Directors of the Company was:

Fees	130,500	135,000
Other allowances	20,300	43,990
	<b>150,800</b>	<b>178,990</b>

### Amount paid to the highest paid director (excluding pension contributions)

Fees	67,198	62,784
	<b>67,198</b>	<b>62,784</b>

### Compensation of managers

Salaries and short-term employee benefits	455,792	251,968
Defined contribution	19,267	11,962
	<b>475,059</b>	<b>263,930</b>

Managers exclude directors (executive and non-executive). The compensation paid or payables to managers for services is as shown above. There is a total of 130 Male and 54 of Female.

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 ranges:

	31 December 2023 N'000	31 December 2022 N'000
Less than N10,000,000	7	7
Over N10,000,000	1	1
	8	8

## 28 Capital commitments and contingent liabilities

The Directors have disclosed that all known liabilities and commitments which are relevant in assessing the state of affairs of the Company have been taken into consideration in the preparation of these financial statements.

The Company has committed capital expenditure up to N9bn to Thomassen Service Middle East (TSME) and General Electric for the rehabilitation of Gas Turbine (GTs) 7, 9, 17 and 19.

### Legal claim contingency

The Company is involved in some legal actions in the ordinary course of business which are not material. The Company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

## 29 Distributions made and proposed

	31 December 2023 N'000	31 December 2022 N'000
Dividend for 2023	23,462,335	-
Dividend for 2022	-	17,166,275
	<b>23,462,335</b>	<b>17,166,275</b>

The company during its 58th Board Meeting held on Monday, December 18, 2023 declared an interim dividend of N23,462,335,236.

## 30 Segment reporting

In accordance with the provisions of IFRS 8 – Operating Segments; the operating segments used to present segment information were identified on the basis of internal reports used by the Company's Managing Director to allocate resources to the segments and assess their performance. The Managing Director is Transcorp Power Plc's "Chief operating decision maker" within the meaning of IFRS 8.

Segment information is provided on the basis of geographical segments as the Company manages its business through two customer groups - International and Local customers. The business segments presented reflect the management structure of the Company and the way in which the Company's management reviews business performance. The accounting policies of the reportable segments are the same as described in Note 3.

The Company has identified two operating segments:

- (i) International - this segment is responsible for the sale of electric power to customers outside Nigeria.
- (ii) Local - this segment is responsible for the sale of electric power to customers within Nigeria.

Segment assets and liabilities are not disclosed as these are not regularly reported to the Chief Operating decision maker.

## Segment revenue and expenses

	Foreign Sales		Local Sales		Total	
	Dec 2023	Dec 2022	Dec 2023	Dec 2022	Dec 2023	Dec 2022
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Revenue	25,345,468	11,598,166	116,776,896	78,751,220	142,122,364	90,349,386
Cost of sales	(11,837,812)	(7,810,478)	(54,862,415)	(40,336,531)	(66,700,227)	(48,147,009)
<b>Gross profit</b>	<b>13,507,656</b>	<b>3,787,688</b>	<b>61,914,481</b>	<b>38,414,689</b>	<b>75,422,137</b>	<b>42,202,377</b>
Operating Costs	(1,835,489)	(633,277)	(8,961,506)	(5,699,490)	(10,796,996)	(6,332,767)
Finance Costs	(769,408)	(851,056)	(11,092,032)	(6,399,578)	(11,861,440)	(7,250,634)
<b>Profit before tax</b>	<b>10,902,759</b>	<b>2,303,355</b>	<b>41,860,943</b>	<b>26,315,621</b>	<b>52,763,701</b>	<b>28,618,976</b>

### 31 Events after statement of financial position date

The change of name of the Company from Transcorp Power Limited to Transcorp Power Plc was completed on 10 January 2024 with the approval of Corporate Affairs Commission (CAC). Consequently, the Company shares was listed on the Nigerian Exchange limited (NGX Exchange) on 4th March 2024.

There were no other significant subsequent events which could have had a material effect on the state of affairs of the Company as at 31 December 2023 that have not been adequately provided for or disclosed in these financial statements.

### 32 Liquidated Damages

Following the commencement of the partial activation effective July 1, 2022 where generating companies (GenCos) are assigned contracted capacities and failure to meet the contracted capacity, the GenCo is charged a penalty as liquidated damages when such failure is attributed to the GenCo. In the course of the financial year 2023, the Market Operator has not charged Transcorp Power Plc. (2022: N2.28bn) as liquidated damage for not meeting its contracted capacity. Transcorp Power Plc has questioned the Market Operator and challenged this amount as its not correct.

### 33 Transmission Loss Factor (TLF)

Nigeria Electricity Regulatory Commission (NERC) issued an order effective January 1, 2022 reducing the transmission loss factor (TLF) from 8.05% to 7.5% (2022) and 7.25% (2023). This deduction is reflected in the Final Settlement Statement (FSS) issued by the Market Operator (MO). However, NBET application and implementation is contrary to our signed contract. We have written to NBET rejecting their understanding, implementation and requesting them to refer the matter to NERC for clarity. The total impact of TLF in in the year is N977mn (2022: N453mn) in these financial statements.

# OTHER NATIONAL DISCLOSURES

## Statement of value added

	31 December 2023		31 December 2022	
	N'000	%	N'000	%
Turnover	142,122,364		90,349,386	
Bought-in materials and services (local)	(47,632,076)		(32,343,731)	
Brought-in materials and services (foreign)	(972,083)		(660,076)	
	93,518,205		57,345,578	
Other operating income	597,949		189,109	
<b>Value added</b>	<b>94,116,154</b>	<b>100</b>	<b>57,534,687</b>	<b>100</b>
<b>Distributed as follows:</b>				
<b>Employees:</b>				
To pay salaries, wages and other staff costs	1,271,619	1	1,026,488	2
<b>Provider of funds</b>				
Interest	11,861,441	13	7,250,634	13
Dividend	23,462,335	25	17,166,275	30
<b>Government:</b>				
To pay tax	18,387,869	19	5,619,850	9
<b>Retained for future growth:</b>				
Deferred tax	4,142,302	4	5,715,721	10
Depreciation	4,757,058	5	3,472,313	6
Profit for the year	30,233,530	32	17,283,406	30
<b>Value added</b>	<b>94,116,154</b>	<b>100</b>	<b>57,534,687</b>	<b>100</b>

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth amongst employees, fund providers, government, and that retained for future creation of wealth.

## Five-year financial summary

	2023	2022	2021	2020	2019
	N'000	N'000	N'000	N'000	N'000
<b>Statement of financial position</b>					
Non-current assets	70,054,960	66,612,680	65,918,561	60,261,865	62,542,578
Net current assets/(liabilities)	26,759,022	6,374,532	(11,321,956)	20,251,828	3,225,762
Non-current liabilities	(38,951,636)	(35,023,236)	(20,590,468)	(55,977,561)	(52,182,202)
<b>Net assets</b>	<b>57,862,346</b>	<b>37,963,976</b>	<b>34,006,137</b>	<b>24,536,132</b>	<b>13,586,138</b>
Share capital	3,750,000	40,108	39,468	39,468	37,076
Share premium	44,385,019	34,967,736	31,127,668	31,127,668	26,346,049
Retained earnings	9,727,327	2,956,132	2,839,001	(6,631,004)	(12,796,987)
<b>Total equity</b>	<b>57,862,346</b>	<b>37,963,976</b>	<b>34,006,137</b>	<b>24,536,132</b>	<b>13,586,138</b>
<b>Statement of profit or loss and other comprehensive income</b>					
Revenue	142,122,364	90,349,386	74,330,710	65,118,677	55,941,017
<b>Profit before income tax</b>	<b>52,763,701</b>	<b>28,618,977</b>	<b>23,090,386</b>	<b>11,997,910</b>	<b>9,259,855</b>
Income tax expense/(credit)	(22,530,171)	(11,335,571)	(3,546,936)	(475,762)	(5,148,931)
<b>Profit after taxation transferred to retained earnings</b>	<b>30,233,530</b>	<b>17,283,406</b>	<b>19,543,450</b>	<b>11,522,148</b>	<b>4,110,924</b>

## NOTICE OF ANNUAL GENERAL MEETING OF TRANSCORP POWER PLC

**NOTICE IS HEREBY GIVEN** that the 11th Annual General Meeting (“AGM”) of Transcorp Power Plc (“the Company”) is scheduled to hold on Monday, May 20, 2024, at Lagos/Osun Hall, Transcorp Hilton Abuja, 1, Aguiyi Ironsi Street, Maitama, Abuja, at 10.00 a.m. to transact the following businesses:

### ORDINARY BUSINESS:

1. To present before the members, the Audited Financial Statements of the Company for the year ended December 31, 2023, together with the Reports of the Directors, Auditors and Audit Committee thereon.
2. To declare a dividend.
3. To approve the appointment of the following persons, as Directors of the Company:
  - 3.1 Mr. Charles Chiedu Odita (Independent); and
  - 3.2 Ms. Faith Tuedor-Matthews, OFR (Independent).
4. To re-elect the following Directors retiring by rotation:
  - 4.1 Mr. Adim Jibunoh; and
  - 4.2 Mr. Vincent Ozoude.
5. To authorise the Directors to fix the remuneration of the Auditors for the 2024 financial year.
6. To disclose the remuneration of Managers of the Company.
7. To elect members of the Statutory Audit Committee.

### SPECIAL BUSINESS

To consider and if thought fit, pass the following as ordinary resolutions:

8.1 “That the total remuneration of Non-Executive Directors be and is hereby fixed at the sum of N218,000,000 (Two Hundred and Eighteen Million Naira) only for the year ending December 31, 2024, such payment to be effective from January 1, 2024.”

8.2 “That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganisation, reconstruction and such other business arrangement exercise or actions.”

8.3 “That subject to regulatory approvals (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of resolution 8.2 above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate.”

8.4 “That in compliance with the Rule of the Nigerian Exchange Limited governing transactions with Related Parties or Interested Persons, the Company, and its related entities be and are hereby granted a General Mandate in respect of all recurrent transactions entered with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company’s day-to-day operations. This Mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held.”

Dated this 26th day of April 2024.

### BY ORDER OF THE BOARD



**Mr. Stanley Chikwendu**

**Group Company Secretary**

FRC/2012/PRO/NBA/002/00000000590

## NOTES

### 1. PROXY

Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. For the appointment of the proxy to be valid, a proxy form must be completed and deposited either at the office of the Company's Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at [corporatemeetings@africaprudential.com](mailto:corporatemeetings@africaprudential.com) not later than 48 hours before the time fixed for the meeting. A blank proxy form is attached to the Annual Report and may also be downloaded from the Company's website at [www.transcorppower.com](http://www.transcorppower.com).

### 2. LIVE STREAMING OF AGM

The AGM will be streamed live. This will enable shareholders and other stakeholders who will not be attending physically to follow the proceedings. The link for the AGM live streaming will be made available on the Company's website at [www.transcorppower.com](http://www.transcorppower.com).

### 3. DIVIDEND

If the dividend recommended by the Directors is approved by the shareholders at the AGM, dividend will be paid by Wednesday, May 22nd, 2024, to shareholders whose names appear in the Company's Register of Members at the close of business on Friday, April 19, 2024.

### 4. CLOSURE OF REGISTER

The Register of Members of the Company will be closed from Monday, April 22, 2024, to Friday, April 26, 2024, (both dates inclusive) for the purpose of dividend payment and updating the register.

### 5. NOMINATION TO THE AUDIT COMMITTEE

In accordance with Section 404(6) of the Companies and Allied Matters Act 2020 (CAMA), any member may nominate a shareholder for election as a member of the Statutory Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the AGM. Such notice of nominations should be sent via email to [info@transcorppower.com](mailto:info@transcorppower.com) for the attention of the Company Secretary. CAMA further provides that members of the Statutory Audit Committee should be financially literate.

### 6. E-DIVIDEND REGISTRATION

Notice is hereby given to all shareholders who have not done so, to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of receiving dividend payments electronically. A detachable application form for e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their accounts to the Registrar as soon as possible.

### 7. PROFILES OF DIRECTORS FOR APPOINTMENT AND RE-ELECTION

The profiles of Mr. Charles Chiedu Odita and Ms. Faith Tuedor-Matthews, OFR, seeking appointment as Independent Non-Executive Directors of the Company; and Mr. Adim Jibunoh and Mr. Vincent Ozoude who will be retiring by rotation and will be presented for re-election are amongst the profiles of Directors that are provided in the 2023 Annual Report of the Company and on the Company's website at [www.transcorppower.com](http://www.transcorppower.com).

### 8. E- ANNUAL REPORT PUBLISHED ON THE WEBSITE

In order to improve delivery of our Annual Report, we have inserted a detachable form in the 2023 Annual Report and hereby request shareholders to complete the form by providing their contact and any other requested details and thereafter return same to the Registrars for further processing. Additionally, an electronic version of the 2023 Annual Report is available on the Company's website at [www.transcorppower.com](http://www.transcorppower.com).

### 9. NO VOTING BY INTERESTED PARTIES

In line with the provisions of Rule 20.8 (2)(h) Rules Governing Related Party Transaction of Nigerian Exchange Limited, interested persons have undertaken to ensure that their proxies, representatives, or associates shall abstain from voting on resolution 8.4 above.

### 10. RIGHTS OF SHAREHOLDERS TO ASK QUESTIONS

Shareholders have a right to ask questions not only at the Meeting, but also in writing prior to the Meeting, and such written questions must be submitted to the Company on or before Friday, May 10th, 2024.

## PROXY FORM

### ELEVENTH ANNUAL GENERAL MEETING OF TRANSCORP POWER PLC TO BE HELD ON MONDAY, MAY 20, 2024, AT THE LAGOS/OSUN HALL, TRANSCORP HILTON ABUJA, 1, AGUIYI IRONSI STREET, MAITAMA, ABUJA, F.C.T AT 10.00 AM

I/WE \_\_\_\_\_

being a member/members of TRANSCORP POWER PLC, hereby appoint:

\_\_\_\_\_ or failing him, the Chairman of the meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Eleventh Annual General Meeting of the Company to be held on Monday, May 20, 2024 at Lagos/Osun Hall, Transcorp Hilton Hotel, 1 Aguiyi Ironsi Street, Maitama, Abuja, at 10.00 a.m. and at any adjournment thereof.

A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. This proxy form has been prepared to enable you exercise your right to vote, in case you cannot personally attend the meeting.

Please sign this proxy form and forward it, so as to reach the registered office of the Registrar, Africa Prudential Plc, 220B Ikorodu Road, Palmgrove, Lagos, or via email at corporatemeetings@africaprudential.com not later than 48 hours before the time fixed for the meeting. If executed by a Corporation, the Proxy Form must be under its common seal or under the hand of a duly authorised officer or attorney.

It is a requirement of the law under the Stamp Duties Act, Cap S8, Laws of the Federation of Nigeria, 2004 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be stamped by the Commissioner for Stamp Duties.

The Proxy must produce the Admission Card below to gain entrance into the Meeting.

	RESOLUTIONS	FOR	AGAINST	ABSTAIN
1.	To declare a dividend.			
2.1	To approve the appointment of Mr Charles Chiedu Odita as Independent Non-Executive Director.			
2.2	To approve the appointment of Ms Faith Tuedor-Matthews, OFR as Independent Non-Executive Director			
3.1	To re-elect Mr Adim Jibunoh , a Director retiring by rotation.			
3.2	To re-elect Mr. Vincent Ozoude, a Director retiring by rotation.			
4.	To authorise the Directors to fix the remuneration of the Auditors for the 2024 financial year.			
5.	To elect members of the Statutory Audit Committee			
6.	To consider and if thought fit, pass the following as ordinary resolutions:			
6.1	That the remuneration of Non-Executive Directors be and is hereby fixed at the sum of N218,000,000 for the year ending December 31, 2024, such payment to be effective from January 1, 2024.			
6.2	That the Company be and is hereby authorised to invest in, acquire, or divest from any business and/ or carry out as the Directors may deem appropriate and in accordance with any relevant laws, any actions, including but not limited to restructuring, reorganisation, reconstruction and such other business arrangement exercise or actions.			
6.3	That subject to regulatory approval (where necessary), the Directors, be and are hereby authorised to take all steps and do all acts that they deem necessary in furtherance of the above, including but not limited to executing and filing all such forms, papers or documents, as may be required with the appropriate authorities; appointing professional advisers and parties that they deem necessary, upon such terms and conditions that the Directors may deem appropriate.			

6.4	<p>“That in compliance with the Rule of the Nigerian Exchange Limited governing transactions with Related Parties or Interested Persons, the Company, and its related entities be and are hereby granted a General Mandate in respect of all recurrent transactions entered with a related party or interested person provided such transactions are of a revenue or trading nature or are necessary for the Company’s day-to-day operations. This Mandate shall commence on the date on which this resolution is passed and shall continue to operate until the date on which the next Annual General Meeting of the Company is held.”</p>			
<p><i>Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion</i></p>				

**TRANSCORP POWER PLC**

Eleventh Annual General Meeting

**ADMISSION CARD**

Please admit the Shareholder named on this Card or his duly appointed proxy to the Annual General Meeting of the Company to be held on Monday, May 20, 2024, at Lagos/Osun Hall, Transcorp Hilton Hotel, 1 Aguiyi Ironsi Street, Maitama, Abuja at 10.00 am.

This admission card must be produced by the Shareholder in order to gain entrance into the Annual General Meeting.

\_\_\_\_\_  
Name of Shareholder

\_\_\_\_\_  
Address of Shareholder

\_\_\_\_\_  
Number of Shares Held

\_\_\_\_\_  
Signature



## Powering Up Your Life.

At Transcorp Power, we are dedicated to empowering your life by providing power solutions that prioritize efficiency and environmental sustainability. We believe that power is essential to any real transformation, and we deliver energy reliably and consistently to light up your homes, schools, hospitals, factories, and more; we power up your life.