

Med-View Airline PLC
Med-View Int'l Travel & Cargo
Med-View Travels @ Konsult



البنحان

MED-VIEW AIRLINE PLC
AUDITED ACCOUNT
31ST DECEMBER, 2017



Reservation: reservations@medviewairline.com
Enquiries: info@medviewairline.com
Sales & Marketing: sales@medviewairline.com
RC# 604313

HEAD OFFICE

Med-View Corporate Head Office
21, Olowu Street, Off Bank Anthony Way,
Ikeja, Lagos
Tel.: 09062377718
E-mail: info@medviewairline.com

Directors: Shaikh Abdul Mohsen Al-Thunayan - Chairman (Saudi), Muneer A. Bankole - CEO (Nig), Engr. Animashaun - L.O Executive Director (Nig),
Na'Allah Isah - S. Executive Director (Nig), Olaniran Afolayan - Executive Director (Nig), Sola Osofala - Non-Executive Director (Nig), Jide Alade - Non-Executive Director (Nig)



MED-VIEW AIRLINE PLC
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 2017

CONTENT

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

REPORT OF STATUTORY AUDIT COMMITTEE

INDEPENDENT AUDITORS REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CHANGES IN EQUITY

STATEMENT OF CASH FLOWS

NOTES TO THE FINANCIAL STATEMENTS

STATEMENT OF THE DIRECTORS RESPONSIBILITIES

The Companies and Allied Matters Act, CAP C20 LFN 2004, requires the Directors to prepare financial statements for each year that present fairly, in all material respect, state of financial affairs of the company at the end of the year and its profit or loss.

The responsibilities include ensuring that:

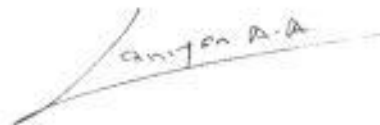
- The Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company and which ensure the financial statements comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN 2004, and relevant provisions of the International Financial Reporting Standards (IFRSs);
- Appropriate and adequate internal controls are established to safeguard the assets of the Company and to prevent and detect fraud and other irregularities;
- The Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates, and that all applicable accounting standards have been followed; and
- The financial statements are prepared on a going concern basis unless it is presumed that the Company will not continue in business.

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act as amended.

The Directors are of the opinion that the financial statements give a true and fair view of the statement of the financial affairs of the Company and of its profit or loss.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of the financial statements as well as adequate systems of internal financial controls.

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



Adedayo Olaniyan
Executive Director (Finance and Accounts)
(FRC/2016/ICAN/00000013729)
February 19, 2018



Alhaji Muneer Bankole
Chief Executive Officer
(FRC/2015/ICEN/00000011889)
February 19, 2018

REPORT OF THE STATUTORY AUDIT COMMITTEE
TO THE MEMBERS OF MED-VIEW AIRLINE PLC

In compliance with section 359(6) of the Company and Allied Matter Act (CAP C20) Laws of the Federation of Nigeria, 2004, we confirm that we have:

- A. Reviewed the scope and planning of the audit requirement;
- B. Reviewed the External Auditors Management Report for the year ended December 31, 2017 as well as the management response thereon; and
- C. Ascertained that the accounting and reporting policies of the Company for the year ended December 31, 2017 are in accordance with legal requirement and agreed practices.

In our opinion, the scope and planning of the audit for the year ended December 31, 2017 was adequate and Management's response to the Auditor's finding were satisfactory.

In addition, the scope, planning and reporting of these Financial Statements is compliant with the requirement of the international Financial Reporting Standards as adopted by the company.

Dated this 9th day of February, 2018.



Senator Babalola Akinola Odunsi
FRC/2017/IODN/00000016589
Chairman

MEMBERS OF THE AUDIT COMMITTEE

- Senator Babalola Akinola Odunsi - Chairman
- Alhaji O.Oyedele (FCA) - Non Executive Director
- Engr .O. Animashaun - Executive Director
- Mr. A. Olaniyan (FCA) - Executive Director
- Mr. O. Awoleye - Shareholders' Representative
- Alhaji I. Adedeji. -Shareholders' Representative

OLUFEMI FAJUJI & CO

Chartered Accountants

4, Olowu Street
Off Obafemi Awolowo Way
Ikeja, Lagos
P.O. Box 2271
Mushin, Lagos State.
Tel: 08024906831
08033202949

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MEDVIEW AIRLINE PLC On the audit of the Company Financial Statements For the year ended December 31, 2017.

OUR OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Med-View Airline Plc. (the company) as at 31 December 2017, and of the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirement of the Companies and Allied Matters Act C.20LFN 2004 and the Financial Reporting Council of Nigeria Act 2011.

WHAT WE HAVE AUDITED

Med-View Airline Plc.'s financial statement comprises:

- o The statement of financial position as at 31 December 2017;
- o The statement of profit or loss and other comprehensive income for the year then ended;
- o The statement of changes in equity for the year ended;
- o The statement of cash flows for the year then ended; and
- o The notes to the financial statements, which include a summary of significant accounting policies.

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 Auditor's responsibilities for the audit of the financial statement section of this report.

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

INDEPENDENCE

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY MATTER

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

Depreciation on Aircraft Maintenance

It was observed that there was an under-provision for depreciation for the year ended December 31, 2017 to the tune of N72.24million.

When an asset comprises several components, each having a cost significant in relation to the overall cost of the item, IAS 16 representing Property, Plant and Equipment requires that each component be separately identified and depreciated. This applies to heavy maintenance.

This represents depreciation on aircraft maintenance during the year. As a result, the profit before tax was overstated by that amount.

In view of this, a provision for depreciation of N72.24million on aircraft maintenance was provided for in the financial statements for the year ended December 31, 2017

OTHER INFORMATION

The directors are responsible for the other information, the other information comprises: Company overview, our business, Chairman's statement, CEO'S statement, Corporate governance report, Statement of Director's responsibilities, Report of audit committee, Directors reports, Statement of value added, Five year financial summary, Notice of annual general meeting (but does not include the financial statements and our audit report thereon).

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR FINANCIAL STATEMENTS.

The directors are responsible for the preparation of the financial statements in accordance with International financial Reporting Standard and the requirement of the Company and Allied Matters Act C.20 LFN 2004, and the Financial Reporting Council of Nigeria Act 2011 and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatements, whether due to fraud or error.

In preparing the financial statement, management is 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 management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR AUDIT OF THE FINANCIAL STATEMENTS

Our responsibilities are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or errors, and to issue an auditor's report that include 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. Misstatement 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 decision of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statement, 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 or error is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 disclosure made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exist related to events or condition that may cast significant doubt on the Company's ability to continue as a going concern . If we conclude that a material uncertainty exist we are require to draw in our auditor' reports to the related disclosure in the financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's opinion. However, future events or condition may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transaction and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were most significant in audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the manner or when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication.

Reports on other legal and regulatory requirements

The Companies and Allied Matter Act LFN C.20 2004 require that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) The company has kept proper book of accounts, so far as appears from our examination of those books and return adequate for our audit have been received from branches not visited by us;
- iii) The company's statements of financial position, profit or loss and other comprehensive income are in agreement with the book of accounts;

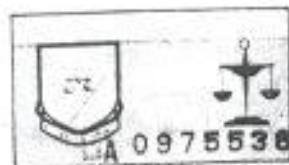
For: Olufemi Fajuyi & Co



Rasheed Oyelajo Oyinlola
Engagement Partner

FRC/2014/ICAN/0000009286

February 19, 2018



MED-VIEW AIRLINE PLC
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

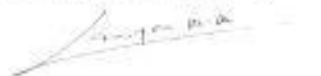
STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2017 N'000	2016 N'000
Property, plant and equipment	14	8,713,768	7,851,846
Investment property	15	270,500	270,500
Intangible Assets	16	1,766,357	1,890,000
Available for sale financial assets	17	0	32,585
Security deposit	18	1,576,292	1,573,593
Deferred tax asset	13		61,541
Non-current assets		12,326,917	11,680,065
Inventories	19	81,010	15,932
Trade and other receivables	21	3,849,550	3,074,820
Prepayments- Current Portion	20	412,536	136,640
Cash and cash equivalents	22	2,928,125	525,879
Current Assets		7,271,221	3,753,271
Total Assets		19,598,138	15,433,336
Equity and liabilities Equity			
Issued share capital	24	4,875,325	4,875,325
Retained earnings		2,510,624	1,549,152
Total Equity		7,385,949	6,424,477
LIABILITIES			
Deferred Tax		70,580	-
Borrowing	26	822,416	322,434
Non-current liabilities		892,996	322,434
Trade and other payables	27	10,560,024	7,488,641
Current income tax payable	13	307,148	230,484
Borrowing	28	452,021	967,300
Current liabilities		11,319,192	8,686,425
Total equity and liabilities		19,598,138	15,433,336

Approved by the Board of directors on February 19, 2018 and signed on its behalf by:



Muneer Bankole
Chief Executive Officer
(FRC/2015/ICEN/00000011889)



Adedayo Olaniyan
Executive Director(Finance and Account)
(FRC/2016/ICAN/000000013729)

The notes on pages 59 to 82 are an integral part of these financial statements

MED-VIEW AIRLINE PLC
 ANNUAL REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	2017 N'000	2016 N'000
Gross Revenue	5	36,961,732	26,039,485
Operating Cost	9	<u>(30,949,054)</u>	<u>(21,895,300)</u>
Gross Profit		6,012,678	4,144,185
Other Income	7	7,439	99,241
Exchange Gain/(Loss)	8	(74,687)	56,375
Gains on property revaluation	15	-	55,500
Write off on Investment	17	(32,585)	-
Administrative expenses	10	(4,179,555)	(3,321,331)
Finance Costs	12	<u>(227,101)</u>	<u>(193,937)</u>
Profit before tax	32	1,506,189	840,033
Tax expense	13	(252,197)	(67,182)
Profit for the year		<u>1,253,991</u>	<u>772,851</u>
Other Comprehensive Income for the period,		-	-
Total comprehensive income		<u>1,253,991</u>	<u>772,851</u>
Earnings Per Share			
Basic(kobo)	25	12.86	7.93
Diluted (kobo)	25	12.86	7.93

The notes on pages 59 to 82 are an integral part of these financial statements

MED-VIEW AIRLINE PLC
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

STATEMENT OF CHANGES IN EQUITY

	Issued share capital	Retained earnings	Capital Reserve	Total Equity
	N'000	N'000	N'000	N'000
As at 1 January 2016	3,900,000	759,383	309,971	4,969,354
CHANGES IN EQUITY 2016				
Increase in Share Capital	665,354	0	0	665,354
Transfer to Share Capital	309,971		(309,971)	0
Adjustment to Retained Earnings	0	16,918	0	16,918
Total comprehensive income for the period	0	772,851	0	772,851
As at 31 December, 2016	4,875,325	1,549,152	0	6,424,477
CHANGES IN EQUITY 2017				
Dividend Paid during the year		(292,519)		(292,519)
Total comprehensive income for the period	0	1,253,991	0	1,253,991
As at 31 December, 2017	4,875,325	2,510,624	0	7,385,949

The notes on pages 59 to 82 are an integral part of these financial statements

MED-VIEW AIRLINE PLC
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

STATEMENT OF CASHFLOWS

	2017 N'000	2016 N'000
Profit before tax	1,506,189	840,033
Non- cash adjustments:		
Depreciation charge	395,367	300,225
Revaluation surplus	0	(55,500)
Amortization	130,000	130,000
Adjustments on Intangible assets	(6,360)	-
Finance Charges	227,101	193,937
	<u>2,252,297</u>	<u>1,408,695</u>
Working capital adjustments		
Decrease /(Increase) in inventories	(65,078)	146,482
(Increase) in trade and other receivables	(774,730)	(247,345)
Increase in Current Prepayments	(275,896)	(136,640)
Increase in trade and other payables	3,071,382	3,171,666
(Decrease) in borrowings	(515,279)	(710,688)
	<u>3,692,696</u>	<u>3,632,170</u>
Net cashflow from operating activities		
Investing activities		
Purchase of properties, plant and equipment	(1,257,286)	(2,419,106)
Movements in available for sale financial assets	32,585	-
Movement in Security Deposits	(2,699)	(1,191,813)
Tax paid during the year	(43,412)	(20,000)
	<u>2,421,885</u>	<u>1,251</u>
Financing activities		
Increase in share capital	-	975,325
Capital Reserve changes	-	(309,971)
Dividend Paid	(292,519)	-
Finance Charges	(227,101)	(193,937)
(Decrease)/Increase in borrowings	499,982	(554,357)
	<u>2,402,246</u>	<u>(81,689)</u>
Net increase in cash and cash equivalent		
Cash and cash equivalent at 1 January	525,879	607,568
	<u>2,928,125</u>	<u>525,879</u>
Cash and cash equivalent at 31 December		

The notes on pages 59 to 82 are an integral part of these financial statements

5. REVENUE

Rendering of Services

	2017 N'000	2016 N'000
Hajj and Cargo Operations	8,247,641	5,619,552
Domestic Operations	14,853,097	11,691,814
International /Regional Operations	13,860,994	8,728,119
	<u>36,961,732</u>	<u>26,039,485</u>

An amount of N76,940,701 was reclassified from other income to revenue in 2016.

6. Segment Reporting

Products and Services from which reportable segments derive their revenues.

Information reported to the Company's Chief Executive for the purposes of allocation and assessment of segment performance is focused on the category of products for each type of activity. The principal sales channels are Hajj, International and Domestic Operations. The company's reporting segment under IFRS 8 are therefore as follows: Hajj, Domestic and International Operations.

6.1 SEGMENT REVENUE & GROSS PROFIT

	Dec-17							
	Hajj Operations N'000	%	International Operations N'000	%	Domestic Operations N'000	%	Total N'000	%
Revenue	8,247,641	22.31	13,860,994	37.50	14,853,097	40.19	36,961,732	100
Operating Cost	(5,733,194)	18.44	(11,972,704)	38.51	(13,382,821)	43.05	(31,088,719)	100
Gross Profit	<u>2,514,447</u>		<u>1,888,290</u>		<u>1,470,276</u>		<u>5,873,013</u>	

	Dec-16							
	Hajj Operations N'000	%	International Operations N'000	%	Domestic Operations N'000	%	Total N'000	%
Revenue	5,619,552	21.6	8,728,119	33.52	11,691,814	44.90	26,039,485	100
Cost of Sales	(2,964,139)	13.54	(8,455,058)	38.62	(10,476,103)	47.85	(21,895,300)	100
Gross Profit	<u>2,655,413</u>		<u>273,061</u>		<u>1,215,711</u>		<u>4,144,185</u>	

Notes to the financial statements (continued)

7. OTHER INCOME

	2017 N'000	2016 N'000
Miscellaneous Income	6,172	59,548
Insurance Claims	-	10,558
Interest Income	1,267	2,714
Provisions no longer required	-	26,421
	<u>7,439</u>	<u>99,241</u>

Miscellaneous income represents income from excess bank charges as well
and also from third party use of training facility

8. EXCHANGE GAIN AND LOSSES

	2017 N'000	2016 N'000
Exchange Gain/(Loss)	<u>(74,687)</u>	<u>56,375</u>

9. OPERATING COST

	2017 N'000	2016 N'000
Aircraft lease - Hajj Operation	2,307,922	2,672,722
Aircraft lease - Local Operation	4,078,001	1,304,347
Aircraft Maintenance	2,340,907	945,824
Aviation fuel -ATK	10,312,418	8,099,767
Handling charges	1,571,487	1,158,536
Catering	1,203,099	985,442
Statutory Charges (NCAA/FAAN/NAMA)	4,442,260	3,717,827
Over flight /navigation charges	766,405	686,549
Hotel Accommodation	1,159,793	433,257
Insurance and aircraft inspection	422,304	408,897
Govt. Agency/ Royalty - NAHCON	1,023,838	572,141
Weighing charges	31,440	19,000
Flight attendants allowance	232,423	120,404
Commission	726,365	512,444
Depreciation: Aircraft	330,390	258,143
	<u>30,949,054</u>	<u>21,895,300</u>

MED-VIEW AIRLINE PLC
 ANNUAL REPORTS AND FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Notes to the financial statements (continued)

10. ADMINISTRATIVE EXPENSES	2017 N'000	2016 N'000
Advertisement	285,409	270,782
Business Development	236,171	185,194
Fuel(PMS/AGO)	52,359	73,977
Insurance	14,101	29,017
Motor Vehicle expenses	39,432	20,391
Printing & Stationery	45,338	19,884
Office Rent	152,261	130,147
Staff Cost/Medical/Training/Welfare	2,086,420	1,851,354
Transport	153,155	12,403
Telephone /Communication	6,809	4,927
Courier Services & Postages	57,191	48,228
Entertainment	28,825	20,419
Electricity	5,653	4,432
Office Repairs & maintenance	3,256	5,732
Depreciation: Charge for the year	64,980	42,081
Amortization of intangible assets	130,000	130,000
Subscription charges	233,125	75,366
Security services	156,386	65,642
Professional fees	12,500	12,500
Bank Charges	141,173	174,343
Legal & Other Consultancy fees	98,842	92,580
Operational expenses - Hajj	108,608	3,469
Other repairs and maintenance	67,562	21,689
Bad debts	-	26,774
	<u>4,179,555</u>	<u>3,321,331</u>

Notes to the financial statements (continued)

11. AUDITORS' REMUNERATION

The analysis of auditors' remuneration is as follows:

Fees Payable to the Company's auditor for the audit of the

company's annual account	<u>12,500</u>	<u>12,500</u>
--------------------------	---------------	---------------

12. FINANCE COST

	2017 N'000	2016 N'000
Interest on loan	88,471	172,626
Interest on overdraft	<u>138,630</u>	<u>21,311</u>
	<u>227,101</u>	<u>193,937</u>

13. TAXATION

Current Income Tax Payable

The movement on income tax payable account during the year was as follows:

Per income statement	2017 N'000	2016 N'000
Income tax		
Income tax for the year	100,063	68,638
Education tax for the year	20,013	13,728
Deferred tax	<u>132,121</u>	<u>(15,184)</u>
	<u>252,197</u>	<u>67,182</u>

Per Statement of financial position

Balance brought forward	230,484	168,118
Charged for the year	120,076	82,366
Provision no longer required		
Paid during the year	<u>(43,412)</u>	<u>(20,000)</u>
Balance carried forward	<u>307,148</u>	<u>230,484</u>
Deferred tax		
Balance brought forward	(61,541)	(46,357)
(Write back)/charged for the year	<u>132,121</u>	<u>(15,184)</u>
(Asset)/liability carried forward	<u>70,580</u>	<u>(61,541)</u>

The charge for taxation is based on the provisions of the companies Income Tax Act C21 LFN 2004 as amended to date, Education Tax Act E 4 LFN 2004 and IAS 12.

14. PROPERTY, PLANT AND EQUIPMENT

	LAND & BUILDING	MOTOR VEHICLES	COMPUTER EQUIPMENT	PLANT/OFFICE & COMMUNICATION EQUIPMENT	FURNITURE, FITTING & PARTITIONING	AIRCRAFT	CAPITAL WORK-IN-PROGRESS	TOTAL
	N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Cost or valuation								
As at January 1, 2017	271,293	148,703	73,138	87,520	74,416	5,711,134	2,281,854	8,648,058
Additions	-	-	22,731	11,439	42,653	-	1,178,463	1,257,286
Reclassification	84,881	-	-	-	-	1,598,387	(1,683,268)	0
As at 31st December, 2017	356,174	148,703	95,869	100,959	117,069	7,309,521	1,777,049	9,905,344
Depreciation								
1st January 2017	15,706	65,294	41,248	43,333	41,027	589,601	-	796,209
Adjustments	-	-	-	-	-	-	-	-
	15,706	65,294	41,248	43,333	41,027	589,601	-	796,209
Charges for the year	6,752	20,852	11,371	12,101	13,901	330,390	-	395,367
Impairment Losses	-	-	-	-	-	-	-	-
As at 31st December, 2017	22,458	86,146	52,619	55,434	54,928	919,991	-	1,191,576
At 31st December, 2017	333,716	62,557	43,250	45,525	62,141	6,389,530	1,777,049	8,713,768
At 31 December, 2016	255,587	83,408	31,890	44,187	53,389	5,121,531	2,281,854	7,851,846

14.1 Capital Work-in-progress

This represents the amount expended in acquiring a property toward the financial year end and stock of spare parts for the aircrafts.

14.2 Commitment

Financial commitments

The following properties were used as collateral for properties enjoyed by the company from financial institutions (i) TuM over property located at 23 Olowu str., Ikeja, Lagos with DMV of N230,000,000 as at 17/09/2013 as value by Ajayi Patunola & Co
(ii) Legal Mortgage over property located at 2/3 Samota Falola Street, Olowu Ikeja, Lagos with DMV of N195,300,000 as at 17/09/2013 as valued by J. Ajayi Patunola & Co

14.3 Capital commitments

Capital expenditure commitments at the year -end authorized by the Board of Directors comprise:

	2017 N'000	2016 N'000
Approved and contracted	-	-
Approved but not contracted	-	-

MED-VIEW AIRLINE PLC
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Notes to the financial statements (continued)

15. Investment properties

	2017 N'000	2016 N'000
Balance brought forward	270,500	215,000
Revaluation Gain on Property	0	55,500
Additions during the year		
At 31 December	<u>270,500</u>	<u>270,500</u>

Investment Property is represented as follows:

	At Cost N'000	At Cost N'000
Landed property at 23, Olowu str, Ikeja	95,500	95,500
Landed property along Mobolaji Bank Anthony way	<u>120,000</u>	<u>120,000</u>

The company uses fair value model in accounting for investment property.

The properties were revalued by Mervic Consulting on December 5, 2016

15.1 Financial Commitments

The property located at 23 Olowu Str., Ikeja, Lagos with OMV of N230,000,000 as at 17/09/2013 was committed to facilities enjoyed from financial institution as at year end.

16. INTANGIBLE ASSETS

	2017 N'000	2016 N'000
As at January	1,890,000	2,020,000
Additions	6,357	-
Amortised during the year	(130,000)	(130,000)
As at December	<u>1,766,357</u>	<u>1,890,000</u>

Intangible assets represents the licenses which authorises the company to operate as an airline and also the designations. It also includes the Software acquired by the company

The intangible assets are made up of the following licences:

- Airline Operating Certificate
- IATA Licensed Travel Agent
- IATA Operational Safety audit certificate
- Air Transport Licence
- Tour Operators Licence
- Air Carriers Permit
- Route Designation Licence
- Vidcom Reservation System Software
- Sage 50 Quantum Accounting Software

17. Investments

Available for sale financial assets	2017 N'000	2016 N'000
As at January 1	32,585	32,585
Write off on investment	(32,585)	-
As at December 31	<u>0</u>	<u>32,585</u>

Notes to the financial statements (continued)

18. Security Deposit

	2017 N'000	2016 N'000
As at January 1	1,573,593	381,780
Net movements during the year	2,699	1,191,813
As at December 31	<u>1,576,292</u>	<u>1,573,593</u>

The amount on security deposit represents forward options to Central Bank of Nigerian (CBN) in respect of Form A for the purchase of foreign currency. This amount is yet to mature as at December 31, 2017.

19. Inventories

	2017 N'000	2016 N'000
Spare parts for aircraft	81,010	15,932
	<u>81,010</u>	<u>15,932</u>

This refers to the company's consumable spare parts relating to the aircrafts

20. PREPAYMENTS

	2017 N'000	2016 N'000
As at Jan 1	136,640	136,640
Movements during the year	275,896	0
As at Dec 31	<u>412,536</u>	<u>136,640</u>

Prepayments relates to the amount paid in advance for the maintenance of the aircrafts within one year.

21. Trade and other receivables

	2017 N'000	2016 N'000
Trade receivables	2,473,156	1,258,697
Other receivables	379,971	756,607
Intercompany receivables	21.1 996,422	1,059,516
	<u>3,849,550</u>	<u>3,074,820</u>

21.1. These represent balances outstanding in respect of settlements made by the company on behalf related entities and Med -View International Travels and Cargoes Limited.

Bad and Doubtful Debts Provision: Provision for doubtful debts is made only for debts that are above 365 days and above due. While 100% provision is made for debts that are overdue by 91 days and more.

Despite making provision for the overdue debts, the company still makes efforts to collect the outstanding debts. Only debts that have been provided for which cannot be collected after exhausting all debts recovery efforts are eventually written off as bad debts.

Credit Policy

It is the policy of the company to subject sales agents to credit worthiness test. The credit worthiness of each agent is assessed by considering the history of their business transactions. Credit limits are set for each agents based on their volume of transactions. Corporate entities are granted credit after considering their credit worthiness

Notes to the financial statements (continued)

21.2 Trade and other receivables (continued)

Ageing of past due but not impaired receivables

	2017 N'000	2016 N'000
30-60 days	-	855,251
30-90 days	33,296	369,122
Above 91 days	2,439,860	61,118
	<u>2,473,156</u>	<u>1,285,471</u>

Trade Receivable comprise of the following:

Trade Receivables	2,473,156	1,285,471
Less Provision for bad debts	(26,653)	(26,774)
	<u>2,446,503</u>	<u>1,258,697</u>

Movement in the allowance for doubtful debts:

Balance at the beginning of the period	-	-
Amount written off during the year as uncollectible	26,774	26,774
Amount recovered during the year	(121)	-
Balance at the end of the period	<u>26,653</u>	<u>26,774</u>

22. Cash & cash equivalents

	2017 N'000	2016 N'000
Cash at hand	818,460	564,791
Cash in Transit	1,252,345	1,178,094
Cash at Bank	1,100,484	471,744
	<u>3,171,288</u>	<u>2,164,629</u>
Bank Overdrafts	(243,163)	(1,638,750)
	<u>2,928,125</u>	<u>525,879</u>

Cash in transit represents the amount held by Airline Platforms on behalf of all airlines who remit the balances after Government deductions

23. Cashflow from operating activities

	2017 N'000	2016 N'000
Profit before tax	1,506,189	840,033
Non-cash adjustments:		
Depreciation charge	395,167	300,225
Revaluation surplus	0	(55,500)
Amortisation	130,000	130,000
Adjustments on Intangible assets	(6,360)	0
Finance Charges	227,101	193,937
	<u>2,252,297</u>	<u>1,408,695</u>
Working capital adjustments		
Decrease/(Increase) in inventories	(65,078)	146,482
Decrease/(Increase) in trade and other receivable	(774,730)	(247,345)
Increase in Current Prepayments	(275,896)	(136,640)
Increase/(Decrease) in trade and other payables	3,071,382	3,171,666
Increase/(Decrease) in borrowings	(515,279)	(720,688)
	<u>3,692,696</u>	<u>3,632,170</u>

24. Share Capital

Share Capital comprises:

	2017 N'000	2016 N'000
Authorized:		
As at January 1		
12,000,000,000 ordinary shares of 50k each	6,000,000	6,000,000
During the year:		
12,000,000,000 ordinary shares of 50k each	<u>6,000,000</u>	<u>6,000,000</u>
Issued & Allotted:		
As at 1 January	4,875,325	3,900,000
Issued during the year	0	865,354
Transferred from Capital Reserve	0	309,971
As at 31 December	<u>4,875,325</u>	<u>4,875,325</u>

The company's share is divided into 50k per unit of share, the total share of the company stands at 12,000,000,000 ordinary shares of 50k each.

Notes to the financial statements (continued)

25. Earning Per Share

The calculation of the basic and diluted earning per share is based on the following data:

earning for the purpose of basic earnings per share being the net profit attributable to the owners of the company

	2017 N'000	2016 N'000
Profit after tax	<u>1,253,991</u>	<u>772,851</u>
	'000' Units	'000' Units
Number of shares		
Ordinary shares of 50kobo each	<u>9,750,649</u>	<u>9,750,649</u>
Earnings per 50kobo share (Basic)kobo	12.86	7.93
Earnings per 50kobo share(Diluted)kobo	12.86	7.93

26. NON CURRENT LIABILITIES

	2017 N'000	2016 N'000
Long-term borrowings		
Opening Balance	1,289,734	2,554,781
Addition during the year	1,000,000	391,013
Less Repayments	<u>(1,015,297)</u>	<u>(1,656,060)</u>
	1,274,437	1,289,734
Less: Amount due within one year	<u>(452,021)</u>	<u>(967,300)</u>
Amount due after one year	<u>822,416</u>	<u>322,434</u>

Finance lease liabilities are secured by the assets leased. The borrowings are a mix of debt with repayment periods not exceeding four years, variable and fixed interest rate. The weighted average interest rates paid during the year were:

	2017 %	2016 %
Bank Overdraft	24	24
Finance lease	24	24

27. Trade and other payables	Notes	2017 N'000	2016 N'000
Trade payables		6,912,048	4,397,029
Other payables & accruals		2,912,886	1,246,350
Intercompany balance	27.1	13,129	838,645
Directors' current accounts		721,961	1,006,617
		<u>10,560,024</u>	<u>7,488,640</u>

27.1 These represent balances outstanding in respect of settlements made on behalf of the company by related entities Med-View Konsult Limited

Trade and other payables principally comprise amounts outstanding for trade purchases and on going costs.

The average credit period taken purchase is sixty days.

The directors consider that the carrying amount of trade payables approximates their fair values.

28. Short-term borrowings	Note	2017 N'000	2016 N'000
-			
Current Portion of long term:			
Borrowings	26	<u>452,021</u>	<u>967,300</u>
		<u>452,021</u>	<u>967,300</u>

Borrowings refer to the current portion loans repayable within the next one year

29. COMMITMENT AND CONTINGENT LIABILITIES

(i) Commitment

Financial Commitments

The Company did not charge any of its assets to secure liabilities of third parties other than those stated in the note 15.2 of this financial statement.

The Directors are of the opinion that all known liabilities and commitments have been taken into account in the preparation of these financial statements.

(ii) Contingent Liabilities

There are contingent liabilities in respect of legal actions against the company amounting to N43,794,000 (there were no contingent liabilities in the previous year). Management has not made provision for this liability as consultations with the Company's external solicitors has indicated that the likely outcome of the legal actions may favour the Company.

30. RECLASSIFICATION OF BALANCES

Certain comparative balances have been reclassified to ensure proper disclosure and uniformity with the current year's presentation.

31. INFORMATION REGARDING EMPLOYEES

31.1 The table below shows the number of staff of the company whose emolument during the year excluding pension contributed were within the range stated:

	2017 N'000	2016 N'000
Less than 500,000-1,000,000	73	109
1,000,001-1,500,000	63	41
1,500,501-2,000,000	57	62
2,000,001-2,500,000	133	77
2,500,001-3,000,000	42	36
3,000,001-3,500,000	17	4
3,500,001-4,000,000	12	7
4,000,001-4,500,000	11	7
4,500,001-5,000,000	9	8
5,000,001-5,500,000	2	1
5,500,001-6,000,000	1	4
6,000,001-6,500,000	1	3
6,500,001 and above	41	44
	<u>412</u>	<u>403</u>

i. The related salaries and wages amounted to N1,818,164 (2015: N1,840,097)

Staff cost relating to the above were:	2017 N'000	2016 N'000
Salaries and wages	1,807,644	1,639,754
Pension and Social benefit	268,256	204,580
Staff Medical Expenses	10,520	7,020
	<u>2,086,420</u>	<u>1,851,354</u>

31.2 RETIREMENT BENEFIT SCHEME

(i) The Company operates pension scheme in accordance with the provisions of the Pension Reform Act 2004. The scheme applies to all employees of the Company and is funded through monthly contribution by both the company and the employees. The Company uses about nine pension managers for its contribution scheme.

Notes to the financial statements (continued)

31.3 The average number of persons, excluding directors, employed by the company during the year was as follows:

	2017	2016
	Number	Number
Management	25	18
Senior Staff	77	96
Junior Staff	284	289
	<u>386</u>	<u>403</u>

31.4 Employee benefit expenses

Staff costs for the above persons (excluding executive Directors):

Salaries and wages

Defined contribution plan

32. Profit before taxation

The profit before taxation is stated after charging the following:-

	2017	2016
	N'000	N'000
Depreciation of fixed assets	330,390	395,367
Auditors remuneration	12,500	12,500
Directors' Emoluments:	101,980	103,967
Operating lease rental payment:		
Domestic operations	4,078,001	1,304,347
Hajj operation	2,307,922	2,672,722
Foreign Exchange Gain/(Loss)	(74,687)	56,375

33 Chairman and Directors Emoluments

Chairman	0	0
Other Directors	<u>101,980</u>	<u>103,967</u>
As Directors Fees	0	0
Emolument as Executives	<u>101,980</u>	<u>103,967</u>

Notes to the financial statements (continued)

The table below shows the number of Directors whose emoluments during the year excluding pension contributions were within the range stated:

	Number	Number
7,000,00-8,000,000	2	2
8,000,001-9,000,000	-	-
Above 9,000,001	2	2
	<u>4</u>	<u>4</u>
Number of Directors who had no emoluments	3	4

34. Related Party Transactions

34.1 During the year, the company entered into the following transactions with related parties

	Receipts		Payments	
	2017 N'000	2016 N'000	2017 N'000	2016 N'000
Med-View Travels Konsult Agency Ltd	3,159,978	508,472	2,334,961	626,175
Med-View International Travels and Cargoes Ltd	586,798	509,581	523,704	354,537
Minas International Travels and Cargoes Ltd	108,402	122,322	152,299	93,326
	<u>3,855,178</u>	<u>1,140,375</u>	<u>3,010,964</u>	<u>1,074,038</u>

During the year, the Company traded with related parties on terms similar to such transactions entered into with third parties

34.2 Directors' Interest in Contract

One of the company's directors, Mr Jalal Amouri is a director in Skycare Catering Services.

The company had transactions with Skycare Catering services during the year:

	2017 N'000	2016 N'000
Skycare Catering Services	<u>390,631</u>	<u>277,046</u>

Mr Ammouri Jalal resigned as a director on January 3, 2018.

35 Pension Fund Administrators

In respect of the pension fund scheme, the company uses the following pension fund administrators fund administrators:

1. Stanbic IBTC Pensions Limited
2. AllCO Pensions Limited
3. Leadway Pensure Limited
4. ARM Pension Limited
5. FUG Pensions Limited

36. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period that could have had a material effect on the financial statements of the company that had not been adequately provided for or disclosed in the financial statements

STATEMENT OF VALUE ADDED

	2017 N'000	%	2016 N'000	%
Revenue	36,961,732		26,039,485	
Other Operating Income	<u>7,439</u>		<u>99,241</u>	
	36,969,171		26,138,726	
Bought in materials and services	(32,754,093)		(22,953,177)	
Value Added	<u>4,215,077</u>	100	<u>3,185,549</u>	100
Applied as follows:				
To pay employees				
Salaries, wages, pension and benefits	2,086,420	49.5	1,851,354	58.1
To pay providers of capital				
Finance costs	227,101	5.4	193,937	6.1
To pay government				
Taxation	252,197	6.0	67,182	2.1
To provide for replacement and development				
Depreciation	395,367	9.4	300,225	9.4
Retained Profit for the year	<u>1,253,991</u>	<u>29.8</u>	<u>772,851</u>	<u>24.3</u>
	<u>4,215,077</u>	100.0	<u>3,185,549</u>	100

Value added represents the additional wealth which the company had been able to create by its own, and its employees' efforts. This statement shows the allocation of that wealth among the employees, government, providers of finance and that retained for the future creation of more wealth.

FIVE YEAR FINANCIAL SUMMARY

Statement of Financial Position

ASSETS	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000
Non-current assets	12,326,917	11,680,065	8,861,770	5,385,670	3,395,839
Current assets	7,271,221	3,753,271	3,727,354	4,569,692	1,929,609
Total Assets	19,598,138	15,433,336	12,589,124	9,955,362	5,325,448
Equity and liabilities					
Equity					
Issued share capital	4,875,325	4,875,325	3,900,000	2,000,000	1,401,881
Capital Reserve	-	-	309,971	309,971	309,971
Retained earnings	2,510,624	1,549,152	762,983	1,930,962	1,411,583
Total equity	7,385,949	6,424,477	4,972,954	4,240,933	3,123,435
Non-current liabilities	822,416	322,434	876,793	2,322,585	125,578
Current liabilities	11,319,192	8,686,425	6,739,377	3,391,944	2,076,435
	12,141,608	9,008,859	7,616,170	5,714,529	2,202,013
Total equity and liabilities	19,527,557	15,433,336	12,589,124	9,955,462	5,325,448

Statement of Comprehensive Income

	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000
Revenue	36,961,732	26,039,485	14,162,204	10,518,595	9,344,584
Profit before tax	1,506,189	840,033	913,458	306,354	166,645
Profit after tax	1,253,991	772,851	811,066	244,810	235,366
Basic Earnings Per Share	12.86	7.93	10.40	6.12	7.7
Adjusted Earnings Per Share	12.86	7.93	8.32	6.12	7.68