NIGERIAN AVIATION HANDLING COMPANY PLC
Lagos, Nigeria

CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS
AND
OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2020

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AND OTHER NATIONAL DISCLOSURES FOR THE YEAR ENDED 31 DECEMBER 2020

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NIGERIAN AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION

Directors	
Chairman	Dr. Seinde Oladapo Fadeni
Group Managing Director/CEO	Mrs. Olatokunbo Adenike Fagbemi
Executive Directors	Mr. Olumuyiwa Augustus Olumekun Prince Saheed Lasisi
Non-Executive Directors	Engr. Mohammed Gambo Umar, mni,FNSE Sir Sunday Nnamdi Nwosu, KSS Mr. Akinwumi Godson Fanimokun Mr. Taofeeq Oluwatoyin Salman Engr. Solagbade Olukayode Alabi Mr. Tajudeen Moyosola Shobayo
Independent Director	Mrs. Abimbola Adunola Adebakin
Company Secretary	Dikko & Mahmoud (Solicitors & Advocates) 4th Floor, Abia House Off Ahmadu Bello Way Central Business District, Abuja, FCT
Registered Office	Nahco Aviance House Murtala Muhammed International Airport Ikeja, Lagos
Auditors	Ernst & Young 10th & 13th Floors, UBA House 57 Marina, Lagos.
Bankers	Access Bank Plc Citibank Nigeria Ltd Ecobank Nigeria Limited Fidelity Bank Plc First Bank of Nigeria Ltd Guaranty Trust Bank Plc Polaris Bank Limited Stanbic IBTC Bank Plc Union Bank Plc Zenith Bank Plc
Registrars	Cardinal Stone Registrars Limited 358, Herbert Macaulay Way Yaba, Lagos P. O. Box 9117 Lagos, Nigeria
RC No.	30954

NIGERIAN AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors are pleased to present to the members of the Group their Report together with the Audited Financial Statements for the year ended 31st December 2020, which is in compliance with the International Financial Reporting Standards (IFRS) and other national disclosures.

Principal activities

The principal activities of the Group is the provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

Review of business

The review of the Group's business and future prospects contained in the Chairman's statement are an integral part of the Directors Report and should be read in conjunction with the Directors Report.

Results for the year

	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Revenue	7,126,121	9,996,145	6,779,005	9,570,197
Profit before taxation	361,279	1,340,503	329,642	1,040,114
Taxation for the year	(59,148)	(623,304)	(37,820)	(603,746)
Profit for the year	302,131	717,199	291,822	436,368
Non-controlling interest	(10,627)	(6,886)	-	-
Retained profit for the year attributable to equity holders of the parent	291,504	710,313	291,822	436,368

Dividend

The directors will propose a gross dividend of 12.5 kobo per ordinary share of 50 kobo each amounting to ₦203 million, to the members at the Annual General Meeting for approval (2019; ₦ 487 million).

Directors

The Directors who served on the Board during the year under review and up till the date of signing this Consolidated and separate financial statements are:

Dr Seinde Oladapo Fadeni
Engr. Mohammed Gambo Umar, mni,FNSE
Mrs. Olatokunbo Adenike Fagbemi
Mr. Olumuyiwa Augustus Olumekun
Sir. Sunday Nnamdi Nwosu, KSS
Mr. Akinwumi Godson Fanimokun
Mr. Taofeeq Oluwatoyin Salman
Engr. Solagbade Olukayode Alabi
Mr. Tajudeen Moyosola Shobayo
Mrs. Abimbola Adunola Adebakin
Prince Saheed Lasisi

Director's election

There was no appointment of Directors since the last Annual General Meeting.

Re-election of Directors

In accordance with Article 107 – 109 of the Articles of Association and provisions of the Companies and Allied Matters Act, 2020, Engr. Solagbade Olukayode Alabi and Mrs. Abimbola Adunola Adebakin are the Directors retiring by rotation and being eligible offer themselves for re-election. The profiles of the Directors for re-election are contained in the 2020 Annual Report and can also be accessed on the Company's website: www.nahcoaviance.com.

Directors' interest

The direct and indirect interests of the Directors in the issued share capital of the Group as recorded in the Register of Directors' shareholdings and/or notified by them for the purpose of Sections 303 of the Companies and Allied Matters Act, 2020 were as follows:

Directors' Shareholding:

S/NO.	NAMES OF DIRECTORS	HOLDINGS		HOLDING	
		AS AT		AS AT	
		31 DECEMBER	%	31 DECEMBER	%
		2020	HOLDINGS	2019	HOLDINGS
1.	Dr. Seinde Oladapo Fadeni	-	-	-	-
2.	Engr. Mohammed Gambo Umar, mni, FNSE	-	-	-	-
3.	Mrs. Olatokunbo Adenike Fagbemi	66,000	0.004	66,000	0.004
4.	Sir Sunday Nnamdi Nwosu	135,715	0.008	135,715	0.008
5.	Mr. Akinwumi Godson Fanimokun	2,000,000	0.123	2,000,000	0.123
6.	Mr. Taofeeq Oluwatoyin Salman	-	-	-	-
7.	Engr. Solagbade Olukayode Alabi	-	-	-	-
8.	Mr. Tajudeen Moyosola Shobayo	1,138,276	0.06	72,576	0.004
9.	Mr. Olumuyiwa Augustus Olumekun	-	-	-	-
10.	Mrs. Abimbola Adunola Adebakin	-	-	-	-
11.	Prince Saheed Lasisi	3,006,185	0.19	3,006,185	0.19
		------------	---------	--------------	---------
	TOTAL:	6,346,176	0.32	5,280,476	0.325
		=======	=====	========	=====

None of the Directors notified the Group for the purposes of Companies and Allied Matters Act,2020 section to the effect that they were members or held some specified interests which could be regarded as interested in any contracts with which the Group was involved during the year under review.

Related party

The Group carries out business for Airlines, some of whom are founder shareholders of the Group. However, in line with the Group policy, transactions are carried out on an arm's length basis.

Shareholding

The registrars have advised that the called-up and fully paid shares of the Company as at 31 December 2020 were beneficially held as follows:

ShareRangeAnalysis:

RANGE			HOLDERS	HOLDERS	HOLDINGS	HOLDINGS
1	-	10,000	62,556	87.54	128,218,741	7.89
10,001	-	100,000	7,806	10.92	230,014,169	14.16
100,001	-	1,000,000	1,001	1.40	245,341,557	15.11
1,000,001	-	10,000,000	86	0.12	229,981,554	14.16
10,000,001	-	100,000,000	7	0.01	204,935,686	12.62
100,000,001	-	1,624,218,750	3	0.00	585,727,043	36.06
GRAND-TOTAL:			71,459	100.00	1,624,218,750	100.00

Godsmart Nigeria Limited is represented on the board by Dr.Seinde Oladapo Fadeni, Engr Muhammed Gambo Umar, Mr. Akinwumi Godson Fanimokun and Tajudeen Moyosola Shobayo and White Cowry Industries Limited is represented by Engr. Solagbade Olukayode Alabi.

The following shareholders held more than 5% of the issued share capital:

	31 December 2020	31 December 2019	No of shares held
Godsmart Nigeria Limited	26.95%	26.95%	437,726,953
Awhua Resources Limited	7.13%	7.13%	115,806,796
White Cowry Industries Limited	9.17%	6.98%	113,370,468

Acquisition of own share

The Group did not acquire any of its shares during the year ended 31 December 2020 (2019; Nil)

Audit committee

Pursuant to Section 404 of the Companies and Allied Matters Act 2020, the Group has an audit committee comprising of Directors and Shareholders. The report of the Audit Committee is included in the financial statements and their function is laid out in Section 404 of the Companies and Allied Matters Act,2020.

SHAREHOLDERS' INFORMATION

Share Capital History

DATE	AUTHORIZED SHARE CAPITAL INCREASED FROM (N)	AUTHORIZED SHARE CAPITAL INCREASED TO (N)	ISSUED SHARE CAPITAL INCREASED FROM (N)	ISSUED SHARE CAPITAL INCREASED TO (N)	CONSIDERATION
May 25, 2007	150,000,000	500,000,000	-	150,000,000	INITIAL SHARE CAPITAL
May 25, 2007	-	500,000,000	150,000,000	375,000,000	BONUS (3:2)
May 25, 2007	-	500,000,000	375,000,000	392,500,000	RIGHTS
May 27, 2007	-	500,000,000	392,500,000	437,500,000	PUBLIC OFFER
May 9, 2008	-	500,000,000	437,500,000	492,187,500	BONUS (1:8)
August 21, 2009	500,000,000	750,000,000	-	492,187,500	-
August 21, 2009	-	750,000,000	492,187,500	615,234,375	BONUS (1:4)
June 7, 2012	-	750,000,000	615,234,375	738,281,250	BONUS (1:5)
June 11, 2015	750,000,000	1,500,000,000	738,281,250	812,109,375	BONUS (1:10)

Donations

The Group made donations and gifts as detailed below during the year (2020:₦1.3m; 2019:₦4.5m)

	₦'000
Calabar Annual Golf Tournament	1,000
ANLCA	250
Rotary Club of Maryland	50

	1,300
	=====

The Group did not make any donation or gift to any political party, political association or for any political purpose in the year under review.

Unclaimed dividend

Shareholders who are yet to receive their dividend are advised to contact the Registrar, Cardinal Stone Registrars, 358, Herbert Macaulay Way, Yaba Lagos.

Physically challenged persons

The Group has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees.

PROPERTY, PLANT AND EQUIPMENT
Information relating to changes in property, plant and equipment is given in Note 11 to the financial statements. In the opinion of the Directors, the market value of the Group's property, plant and equipment is not less than the value shown in these financial statements.

EVENTS AFTER THE REPORTING DATE
As stated in Note 39, no events or transactions have occurred since the end of the reporting period, which would have a material effect on the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or results of operations.

Employees Health, Safety and Welfare
Health and Safety Regulations are in force within the Group for the benefit of all employees. A staff clinic is maintained and in addition the Group has made arrangements with private hospitals and clinics for the treatment of employees on referral basis. Also, the Group has a dedicated unit for Health, Safety Environment and Quality in line with standard policy applicable to aviation industry.

Employees' trainings
This is carried out at various levels within the Group through internal and external trainings.

Auditors
The auditors, Ernst & Young having indicated their willingness, will continue in office as the Group's auditors in accordance with Section 401 of the Companies and Allied Matter Act, 2020.

By Order of the Board

Bello A. Abdullahi
Dikko & Mahmoud (Solicitors & Advocates)
FRC/2013/ NBA/00000002301
Company Secretary

29 March 2021

CORPORATE GOVERNANCE REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Corporate Governance

Nigerian Aviation Handling Company Plc is committed to observing high standards of corporate governance. The Board of Directors recognises the importance of applying best corporate governance principles, its valuable contribution to long term business prosperity and accountability to its shareholders. Consequently, the Group has undertaken to create the institutional framework conducive to defending the integrity of our Directors and is convinced that, on account of this, the Board is functioning in a highly effective manner. The Board will continue to challenge itself to improve the standard in areas where the need for improvement is identified.

Group Governance Structure

The Board

The Board comprises Eleven (11) Directors, made up of eight (8) Non-Executive and three (3) Executive Directors. The Board is responsible to shareholders for creating and delivering sustainable value through its general supervision of the Group's business. The positions of the Chairman and the Chief Executive Officer are held by different persons to avoid undue concentration of power. The Chairman is responsible for the leadership of the Board and creating the conditions for overall effectiveness of the individual Directors and the Board in general. All the Directors bring various and varied competencies to bear on all Board decisions. Each individual Director has the experience, knowledge, qualifications, expertise and integrity that are necessary to effectively discharge the duties of the Board of Directors. The Board meets regularly and is responsible for effective control and monitoring of the Group's strategy.

The Board has established committees to assist it in the discharge of its responsibilities. The Group has established the Board Charter and the Board Committees Charters. The Charters spell out the responsibilities, appointment, terms of references, composition, and review of the Charter among other things.

During the year under review, the Board met at various times to provide strategic directions, policy and leadership in attaining the objectives of the Group.

The Board monitors the activities of the Executive Management and the accomplishment of set objectives through reports at its meetings.

Relationship with Shareholders

As a deliberate policy, the Group maintains an effective and candid communication with its shareholders which enables them to understand the Group's business, financial conditions and operating performance and trends. The Board places considerable importance on effective communication with its shareholders as it recognises the importance of ensuring an appropriate balance in meeting their needs. The Group always strives to build enduring relationships with the shareholders. The Board ensures that shareholders receive prior notice of meetings and that all other statutory notices and information are communicated regularly. Shareholders can freely communicate their thoughts and recommendations whenever they feel the need to do so by contacting the Company Secretary or the Group Managing Director/CEO.

BOARD MEETINGS

The Board met six (6) times during the 2020 financial year. The meetings were held on 30th January, 27th March, 4th May, 29th June, 29th July and 28th October. The following is the list of the Directors and their attendance at the Board meeting.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Dr. Seinde Oladapo Fadeni	Chairman (Non-Executive Director)	6	6
Engr. Mohammed Gambo Umar, mni	Vice Chairman (Non-Executive Director)	6	6
Mrs. Olatokunbo Adenike Fagbemi	Group Managing Director/ CEO	6	6
Sir. Sunday Nnamdi Nwosu	Non-Executive Director	6	6
Mr. Akinwumi Godson Fanimokun	Non-Executive Director	6	6
Mr. Taofeeq Oluwatoyin Salman	Non-Executive Director	6	6
Engr. Sholagbade Olukayode Alabi	Non-Executive Director	6	6
Mr. Tajudeen Muyisola Shobayo	Non-Executive Director	6	6
Mr. Olumuyiwa Augustus Olumekun	Executive Director	6	6
Prince Saheed Lasisi	Executive Director	6	6
Mrs. Abimbola Adunola Adebakin	Independent Non-Executive Director	6	6

Board Committees

In performing its oversight functions of the Group's business, the Board operates as a full Board or through the Board Committees whose compositions and functions are listed below:

The Board Committees make appropriate recommendations for approval by the full Board. The Committees are as follows:

(1) Risk and Compliance Committee.
(2) Governance and Remuneration Committee.
(3) Finance and General Purposes Committee

Risk and Compliance Committee

The Committee was chaired by a Non-executive Director with two (2) other Non-Executive Directors and one (1) Executive Director.

The terms of reference include:

1. Oversight function on all risk related issues.
2. Keep under review the effectiveness of the Group's internal controls, audit functions and risk management system including the business risk program.
3. Evaluate whether Management is setting the appropriate "control culture" by communicating the importance of internal controls and management of risk.
4. Review the Group's policies and practices concerning business conduct, ethics and integrity.
5. Encourage whistle blowing process for report of unethical activity.
6. Review policies and processes established by Management on the implementation of risk, and safety quality and to monitor the Group's compliance with international standards of risk and safety quality.
7. Authorize the internal auditor to carry out investigation into any activities of Management/Group that may be of concern to the Committee.
8. Serve as an independent and objective party to review the financial information presented by Management to the Board and the general public.
9. Oversee and appraise the quality of audits conducted by the Group's internal and external auditors.
10. Determine the efficiency and effectiveness of administrative operating and accounting controls used by the Group.
11. Establish and periodically review a code of conduct and monitor the ethical behaviour of the Group and Management to ensure compliance.
12. Review the placement of the Group's insurance program and its alignment with the Group's risk profile.
13. Identify any special projects or investigations deemed necessary.

Governance and Remuneration Committee
The Committee was chaired by a Non-executive Director with three (3) other Non-Executive Directors.

The terms of reference include:
1. Establish and review on a regular basis the existence of an appropriate code of conduct which focuses on leadership policies and general behavior within the Group.
2. Assess the effectiveness of the Board of Directors as a whole, the committees of the Board and the overall contribution of individual Directors including making recommendations to the Board with respect to the Board performance and standards and procedure for review of the Board's performance.
3. Oversee the Board performance evaluation process and reviewing the self-evaluation of the Directors.
4. Conduct an annual analysis of individual Directors' skills and experience to assess the Board's specific needs and the skills, experiences and behavioral attributes required to address its needs.
5. Prepare a profile for vacant positions, based on the identified gaps in skills and composition on the Board. Establish the criteria for Board and Board committee memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board.
6. Prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate.
7. Evaluate the current composition, organization and governance of the Board and its committees, and determine future Board and committee requirements, including the appropriateness of the size of the Board relative to its responsibilities, and make recommendations regarding the foregoing to the Board for approval.
8. Review with Management and Company Secretary the Company system of governance.
9. Oversee the implementation and operation of process, structures and effective systems of governance as approved by the Board of Directors and industry specific standards and practices and make recommendations to the Board with respect to the Company's business code of conduct.
10. Review the Group's annual disclosure of its corporate governance practices pursuant to applicable legislative rules and industry specific standards and practices.
11. Perform any other activities consistent with its responsibilities and duties as the Committee or the Board of Directors deems necessary or appropriate.
12. Oversees compliance of all the Committees with the Group's corporate governance policies and standards.
13. Provide an orientation and education program for new recruits to the Board of Directors to allow them to fully understand (i) the business of the Group and the role of its Board of Directors, (ii) the role of the committees of the Board and (iii) the contribution individual directors are expected to make, including in particular, the commitment of time and energy that the Group expects of its Directors.
14. Identify the training needs and knowledge gaps of Board members. The Committee should ensure that each Board Director attends a minimum of one (1) core training or development program each financial year. The training programs should be such that would improve the effectiveness and efficiency of the Directors in managing the Group and meeting its business objectives.
15. Ensure that succession policy and plan exist for the positions of Chairman and the subsidiary managing directors for Group companies.
16. Review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable.

Governance and Remuneration Committee-continued

17. Provide for the succession of the Board Chairman, Non-executive Directors, the subsidiary Board and the subsidiary Managing Directors of the Group Companies to assist the Board in ensuring an orderly transition when Directors resign or retire.
18. The succession planning policy may include the following:
    a. Key competencies - specific minimum qualifications and experience and the process for determining current and emerging competency requirements;
    b. Identification of the talent pool/possible successors;
    c. Areas of improvement of the alternatives and the required training/skill needed.
    d. Transition guidelines.
19. Conducting evaluation and competency on the appointment of Non-Executive Directors.
20. Making recommendation on the appointment, remuneration and promotion of Executive Directors and senior Management.
21. Setting and reviewing the effectiveness of the remuneration policies, Management succession plan, human resources and practices of the Group;
22. Setting and reviewing, in accordance with the company's remuneration policies and practices, the remuneration of the Managing Director, the direct reports to the Managing Director and other such executives as the Board may from time to time determine;
23. Setting and reviewing, as appropriate, the terms of employment contracts for the personnel referred to above;
24. Setting and reviewing the terms of the Group's short and long term incentive plans including any share option plans for employees and Directors;
25. Making recommendations to the Board on setting and reviewing all components of the remuneration of Non-Executive Directors. Such components shall include annual remuneration, sitting allowance and all other benefits and entitlements arising from their directorships;
26. Ensuring that the Group's remuneration policies and practices support the successful recruitment, development and retention of Executive Directors and Senior Management Team.
27. Reviewing from time to time the Senior Executive Team and the appropriateness of succession planning policies which are in place.
28. Defines the process for determining levels of remuneration and the frequency of review;
29. Provides how and to what extent Executive Directors' reward should be linked to corporate and individual performance.
30. Provide input to the annual report of the Group in respect of Directors' compensation;
31. To consider any other matter referred to it by the Board.

Finance and General Purposes Committee

The Committee was chaired by a Non-Executive Director with one (1) other Non-Executive Director and two (2) executive directors.

The terms of reference include:
1. Stay informed on a timely basis about the Group's financial status.
2. As appropriate, review and recommend to the Board, key financial policy matters.
3. Oversee development of the budget, financial reporting, policies and processes.
4. Advise Management and the Board regarding financial matters including global financial policies and practices, capital structure, annual financing plans, restructuring, acquisitions and divestitures;
5. Analyze and recommend basic financial goals to be achieved by the Group
6. Receive suggestions from the Executive Management as to how performance can and will be improved upon.

Finance and General Purposes Committee-continued

7. Review significant relationships with analysts, banks and investment banks;
8. Review the operational and financial performance of the Group on major capital investment projects versus original projections and to keep the Board advised on all financial implications on decisions taken.
9. Review and recommend a dividend policy for the Group;
10. Evaluating the long-term productivity of the Group's operations.
11. Review operating budgets of the Group. Review financial performance of the Group and compare performance to budgets and goals.
12. Tracking/monitoring/accountability for funds by the Executives.
13. Ensure adequate financial controls.
14. Recommend approval of capital expenditures, specific projects and their financing within the overall plan approved by the Board.
15. Require and monitor correction actions to bring the Company into compliance with its budgets and other financial targets.
16. Review and recommend to the Board the strategic planning process, long-range objectives and strategic plan for the Company along with the specific business and marketing plans for the Group and its subsidiaries.
17. Provide input from the Board to Management in the development of the Group's strategic plan;
18. Serve as a resource in assisting Management in the development of the Group's strategic plan;
19. Act in an advisory capacity in assessing the strategies and action plans designed to meet the Group's strategic objectives; and
20. Serve as representatives of the Board in evaluating the Group's strategic planning process.
21. Consider any other matters referred to it by the Board.

MEETINGS HELD BY COMMITTEES

Risk and Compliance Committee met five (5) times during the 2020 financial year. The meetings were held on 5th March ,25th June, 17th September, 14th October and 14th December.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Engr. Mohammed Gambo Umar mni	Chairman (Non-Executive Director)	5	5
Mrs. Olatokunbo Adenike Fagbemi	Group Managing Director/ CEO	5	5
Engr. Solagbade Olukayode Alabi	Non-Executive Director	5	5
Mrs. Abimbola Adunola Adebakin	Non-Executive Director	5	5

GOVERNANCE AND REMUNERATION COMMITTEE MET SIX (6) TIMES DURING THE 2020 FINANCIAL YEAR. THE MEETINGS WERE HELD ON 4TH MARCH, 23RD JUNE, 14TH JULY, 14TH SEPTEMBER, 27TH NOVEMBER AND 9TH DECEMBER.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Mr. Akinwumi Godson Fanimokun	Chairman (Non-Executive Director)	6	6
Sir Sunday Nnamdi Nwosu, KSS	Non-Executive Director	6	6
Mr. Tajudeen Moyosola Shobayo	Non-Executive Director	6	6
Engr. Solagbade Olukayode Alabi	Non-Executive Director	6	6

Finance and General Purposes Committee met eight (8) times during the 2020 financial year. The meetings were held 25th January, 19th March, 27th April, 18th May, 16th June, 21st July, 21st October and 7th December

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Mr. Tajudeen Moyosola Shobayo	Chairman (Non-Executive Director)	8	8
Mr. Akinwumi Godson Fanimokun	Non-Executive Director	8	8
Mrs. Olatokunbo Adenike Fagbemi	Group Managing Director/ CEO	8	8
Mr. Olumuyiwa Augustus Olumekun	Executive Director	8	8
Mrs. Abimbola Adunola Adebakin	Non-Executive Director	7	7

The Audit Committee

The Audit Committee was composed of six members made up of three representatives of the Shareholders elected at the 2019 Annual General meeting held on 16th July 2020 for a tenure of one year till the conclusion of the 2021 Annual General Meeting; and three representatives of the Board of Directors nominated by the Board.

The terms of reference include as provided in section 407 of the Companies and Allied Matters Act CAP 2020.

1. Ascertains whether the accounting and reporting policies of the Group are in accordance with legal requirements and agreed ethical practices;

2. Reviews the scope and planning of audit requirements;

3. Reviews the findings on management matters in conjunction with the external auditor and departmental responses thereon;

4. Keeps under review the effectiveness of the Group's system of accounting and internal controls;

5. Makes recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Group; and

6. Authorises the internal auditor to carry out investigations into any activities of the Group which may be of interest or concern to the Committee.

Audit Committee met six (6) times during the 2020 financial year. The meetings were held on 22nd January, 18th March, 23rd March, 19th June, 22nd July and 20th October.

7.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Dr. Okpan Awa Erem	Chairman	7	7
Mr. Mohammed Gambo Fagge	Member	7	7
Mrs. Adebisi Oluwayemisi Bakare	Member	7	7
Sir Sunday Nnamdi Nwosu, KSS	Non-Executive Director	7	7
Mr. Taofeeq Oluwatoyin Salman	Non-Executive Director	7	7
Engr. Mohammed Gambo Umar, mni	Non-Executive Director	7	7

Complaint Management Policy

The Board approved the Complaint Management Policy pursuant to the Rules of the Securities & Exchange Commission ("SEC") on the Complaints Management Framework of the Nigerian Capital Market ("Framework") and the directive of the Nigerian Stock Exchange ("The NSE") to all listed Companies. The policy is published on the Company's website: www.nahcoaviance.com

Insider Trading Policy

The Board approved an Insider Trading Policy which is compliant with the provisions of Section 14 of the Amended Listing Rules of the Nigerian Stock Exchange. The Policy applies to all Directors, Audit Committee, Employees of the Company and any other person in possession of insider information from dealing with the Company's shares during the Non-Authorised Trading Periods, in accordance with the Investment and Securities Act, 2007, the Post Listing Rules of the Nigerian Stock Exchange and the Company's policy on Insider Trading, published on the Company's website www.nahcoaviance.com.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) the Policy guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares, which undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the year.

NIGERIAN AVIATION HANDLING COMPANY PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2020

The Companies and Allied Matters Act 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act,2020 and Financial Reporting Council of Nigeria Act No 6, 2011

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

c) prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act 2020 and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Group and of its profit for the year ended 31 December 2020. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

To the best of our knowledge and ability we report no contravention or violation of any regulatory requirement(s) during the year.

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

....	....
Dr. Seinde Oladapo Fadeni	Mrs. Olatokunbo Adenike Fagbemi
Chairman	Group Managing Director/CEO
FRC/2019/NIM/00000019430	FRC/2019/IODN/00000019114

29 March 2021

NIGERIAN AVIATION HANDLING COMPANY PLC

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2020

In accordance with the provision of Section 404 of the Companies and Allied Matters Act, 2020, members of the Audit Committee of Nigerian Aviation Handling Company Plc report as follows:

We have exercised our statutory functions under section 404 of the Companies and Allied Matter Act, 2020, and we acknowledge the co-operation of the Management and Staff in the conduct of these responsibilities.

We confirm that:

1. The accounting and reporting policies of the Group are consistent with legal requirements and agreed ethical practices.
2. The scope and planning of the external audit are in our opinion adequate.
3. The internal control system was in order.
4. The Independent Auditors' Management Letter Comments were satisfactorily dealt with by the Management.
5. We have reviewed the consolidated and separate audited financial statements prior to the Board's approval.

Dr Okpan Awa Erem
Chairman
Audit Committee
FRC/ 2014 / NIM/ 0000 0008663

29 March 2021

MEMBERS OF THE AUDIT COMMITTEE

Dr. Okpan Awa Erem -	Chairman
Mr. Mohammed Gambo Fagge -	Shareholders Representative
Mrs. Adebisi Oluwayemisi Bakare	Shareholders Representative
Engr. Mohammed Gambo Umar, mni	Non-executive Director
Sir Sunday Nnamdi Nwosu, KSS	Non-Executive Director
Mr. Taofeeq Oluwatoyin Salman	Non-Executive Director

NIGERIAN AVIATION HANDLING COMPANY PLC

CERTIFICATE OF ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2020 that:

a. We have reviewed the report;

To the best of our knowledge, the report does not contain:

- Any untrue statement of a material fact, or
- Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

c. We:

- are responsible for establishing and maintaining internal controls.
- have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
- have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
- have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. We have disclosed to the auditors of the Group and Audit Committee:

- All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
- Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Mrs. Olatokunbo Adenike Fagbemi	Mr. Adeoye Emiloju
Group Managing Director/CEO	Chief Financial Officer
FRC/2019/IODN/00000019114	FRC/2019/ICAN/00000019815

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Independent Auditor's Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Nigerian Aviation Handling Company Plc ("the Company) and its subsidiaries (together 'the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2020, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2020, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011.

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 Consolidated and Separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' Responsibilities for the Audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial statements - Continued

The Key Audit Matters applies equally to the audit of the consolidated and separate financial statements.

Key Audit Matter	How the matter was addressed in the audit
Determination of allowance for expected credit loss on trade receivables The Group had in its books as at 31 December 2020 gross trade receivables amounting to N2.14 billion with allowance for expected credit loss of N844 million. The allowance for expected credit loss represents 39% of the gross trade receivable balance. The Group continues to grapple with uncertainty over the collectability of contract receivables from specific customers. This condition became heightened by the impact of COVID 19 pandemic on the aviation industry which led to closure of Airports and flight suspension/ cancellation- a development that severely affected the Airlines that constitute a significant part of the Group's customers.	We obtained management's model for the computation of expected credit loss on trade receivable and performed the following procedures: - analyzed the segmentation of the portfolio provided by management and ensured they applied the shared risk characteristics. - recomputed the payment profile of customers for sales recorded during the year and reviewed the bad debts in the year written off (deemed losses).
The determination as to whether a trade receivable is collectable involves Management's judgment. The trade receivables were tested for impairment using the Expected Credit Loss (ECL) model. The ECL model also requires judgment in the estimation of the amount and timing of future cash flows and assessment of a significant increase in credit risk. We considered this a Key Audit Matter due to the materiality of the amounts involved and the high level of management judgement required. The Group's accounting policy on allowance for expected credit loss of trade receivables and related ECL disclosures are shown in Notes 2(d), 3(f) and 31 respectively.	- challenged the loss rates to ensure that the calculation reflects the probability weighted outcome, - tested the historical accuracy of the model by assessing the historical projections versus actual losses. - challenged the scalar adjustment multiplier to determine if they were appropriate. - -

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial statements - Continued

Other Information
The Directors are responsible for the other information. The other information comprises the Report of the Directors, Audit Committee's Report and Other National Disclosures. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.
Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Consolidated and Separate Financial Statements
The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and 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 Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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.

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial statements - Continued

- 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- 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 Group's and 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 consolidated and separate 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 Group and/or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions 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 Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.

We also provide the Directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate 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 matter or when, in extremely rare circumstances, 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 benefits of such communication.

Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial statements - Continued

Report on Other Legal and Regulatory Requirements
In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 2020, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- In our opinion, proper books of account have been kept by the group and company, in so far as it appears from our examination of those books;
- The consolidated and separate statements of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and
- in our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the Companies and Allied Matters Act, 2020 so as to give a true and fair view of the state of affairs and financial performance of the Company and its subsidiaries.

Funmi Ogunlowo
FRC/2013/ICAN/00000000681
For: Ernst & Young
Lagos, Nigeria

31 March 2021

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPERATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Revenue	5	7,126,121	9,996,145	6,779,005	9,570,197
Operating costs	9a	(4,823,653)	(6,690,870)	(4,691,972)	(6,566,886)
Gross profit		2,302,468	3,305,275	2,087,033	3,003,311
Other income	6	581,267	245,032	531,545	237,866
Administrative expenses	9b	(2,367,740)	(2,406,234)	(2,185,736)	(2,357,386)
Expected credit losses(expense)/write-back	9c	(37,905)	323,673	1,884	288,334
Profit from operations		478,090	1,467,746	434,726	1,172,125
Finance costs	7	(203,464)	(300,319)	(191,737)	(299,889)
Finance income	7	86,653	173,076	86,653	167,878
Profit before tax		361,279	1,340,503	329,642	1,040,114
Income tax expense	8(a)	(59,148)	(623,304)	(37,820)	(603,746)
Profit for the year		302,131	717,199	291,822	436,368
Other comprehensive income		-	-	-	-
Total comprehensive income for the year, net of tax		302,131	717,199	291,822	436,368
Attributable to:					
Profit attributable to equity holders of the parent		291,504	710,313	291,822	436,368
Non-controlling interest	27	10,627	6,886	-	-
		302,131	717,199	291,822	436,368
Earnings per share:					
Basic/diluted earnings per share (Kobo)	10	18	44	18	27

NIGERIAN AVIATION HANDLING COMPANY PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	Group 2020 ₦'000	Group 2019 ₦'000	Company 2020 ₦'000	Company 2019 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	11	7,288,358	6,704,714	7,132,440	6,514,282
Right-of-use assets	11a	755,540	831,810	758,945	826,966
Intangible assets	12	131,174	148,225	36,787	54,603
Investment property	13	133,310	136,914	133,310	136,914
Investment in subsidiaries	14	-	-	39,500	39,500
Total non-current assets		8,308,382	7,821,663	8,100,982	7,572,265
Current assets					
Inventories	18	270,747	284,791	270,747	284,791
Trade and other receivables	20	2,542,957	2,534,640	2,340,312	2,351,221
Intercompany receivables	21	-	-	613,664	582,758
Other current assets	17	532	7,866	532	7,866
Prepayments	19	1,309,255	2,310,151	1,095,182	2,097,614
Debt instruments at amortized costs	22b	485,032	187,168	485,032	187,168
Cash and cash equivalents	22	835,529	1,563,222	735,318	1,475,619
Total current assets		5,444,052	6,887,838	5,540,787	6,987,037
Total assets		13,752,434	14,709,501	13,641,769	14,559,302
Equity and liabilities					
Equity					
Share capital	23	812,109	812,109	812,109	812,109
Share premium	24	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	26	3,836,380	4,032,142	3,872,548	4,067,992
Total equity attributable to equity holders of the Company		6,563,247	6,759,009	6,599,415	6,794,859
Non-controlling interests	27	(113,398)	(124,025)	-	-
Total equity		6,449,849	6,634,984	6,599,415	6,794,859
Non-current liabilities					
Lease liabilities	28a	1,192,080	916,514	1,194,714	915,538
Deferred tax liabilities	8C	805,416	1,075,790	804,267	1,073,428
Total non-current liabilities		1,997,496	1,992,304	1,998,981	1,988,966

NIGERIAN AVIATION HANDLING COMPANY PLC
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION – Continued

AS AT 31 DECEMBER 2020

		Group		Company	
	Notes	2020 ₦'000	2019 ₦'000	2020 ₦'000	2019 ₦'000
Current liabilities					
Current tax liabilities	8b	782,670	508,921	745,803	486,933
Trade and other payables	29	4,412,166	4,901,277	4,225,110	4,662,333
Lease liabilities	28a	53,195	161,780	51,402	160,076
Deferred Income	30	57,058	70,157	21,058	26,057
Loans and borrowings	28	-	440,078	-	440,078
Total current liabilities		5,305,089	6,082,213	5,043,373	5,775,477
Total liabilities		7,302,585	8,074,517	7,042,354	7,764,443
Total equity and liabilities		13,752,434	14,709,501	13,641,769	14,559,302

Dr. Seinde Oladapo Fadeni
Chairman
FRC/2019/NIM/00000019430

Mrs. Olatokunbo Adenike Fagbemi
Group Managing Director/CEO
FRC/2019/IODN/00000019114

Mr. Adeoye Emiloju
Chief Financial Officer
FRC/2019/ICAN/00000019815

29 March 2021

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

Attributable to the equity holders of the Parent

2020	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000	Non-Controlling interest ₦'000	Total equity ₦'000
At 1 January 2020	812,109	1,914,758	4,032,142	6,759,009	(124,025)	6,634,984
Profit for the year	-	-	291,504	291,504	10,627	302,131
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	291,504	291,504	10,627	302,131
Dividend paid (Note 26c)	-	-	(487,266)	(487,266)	-	(487,266)
At 31 December 2020	812,109	1,914,758	3,836,380	6,563,247	(113,398)	6,449,849

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

Attributable to the equity holders of the parent

2019	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000	Non-controlling interest ₦'000	Total equity ₦'000
At 1 January 2019	812,109	1,914,758	3,727,884	6,454,751	(130,911)	6,323,840
Profit for the year	-	-	710,313	710,313	6,886	717,199
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	710,313	710,313	6,886	717,199
Dividend paid (Note 26c)	-	-	(406,055)	(406,055)	-	(406,055)
At 31 December 2019	812,109	1,914,758	4,032,142	6,759,009	(124,025)	6,634,984

NIGERIAN AVIATION HANDLING COMPANY PLC

SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

Company

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2020	812,109	1,914,758	4,067,992	6,794,859
Profit for the year	-	-	291,822	291,822
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	291,822	291,822
Dividend paid (Note 26c)	-	-	(487,266)	(487,266)
At 31 December 2020	812,109	1,914,758	3,872,548	6,599,415

2019	Share capital ₦'000	Retained premium ₦'000	earnings ₦'000	Total ₦'000
At 1 January 2019	812,109	1,914,758	4,037,679	6,764,546
Profit for the year	-	-	436,368	436,368
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	436,368	436,368
Dividend paid (Note 26c)	-	-	(406,055)	(406,055)
At 31 December 2019	812,109	1,914,758	4,067,992	6,794,859

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Company	
		2020	2019	2020	2019
	Notes	₦'000	₦'000	₦'000	₦'000
Operating activities					
Profit before tax		361,279	1,340,503	329,642	1,040,114
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment (PPE)	11	901,788	831,296	872,504	696,049
Depreciation of investment property	13	3,604	6,394	3,604	6,394
Amortization of intangible asset	12	17,901	18,088	17,817	18,088
Depreciation of right-of-use asset	11a	76,270	71,827	68,021	68,021
Profit on disposal of PPE	6	(2,063)	(8,179)	(2,418)	(8,179)
Expected credit losses expenses/(write-back)	9c	37,905	(323,673)	(1,884)	(288,334)
Unrealized exchange difference	6a	(85,385)	3,106	(5,237)	3,106
Deferred rent released to profit or loss	30	(179,245)	(159,855)	(143,148)	(156,142)
Finance cost	7	14,969	117,686	14,969	117,686
Interest on Lease	7	188,495	182,633	176,768	182,203
Finance income	7	(86,653)	(173,076)	(86,653)	(167,878)
		1,248,865	1,906,750	1,243,985	1,511,128
Working capital adjustments:					
Decrease/(increase) in inventories		14,044	(28,604)	14,044	(28,604)
Decrease/(increase) in trade and other receivables		29,588	(117,820)	9,025	(10,530)
(Increase) /decrease in intercompany receivables		-	-	(30,906)	615,165
Decrease/ (increase) in prepayments		1,000,896	(1,555,222)	1,002,432	(1,539,843)
(Decrease)/increase in trade and other payables		(489,112)	893,637	(437,223)	843,363
Decrease in intercompany payable		-	-	-	(316,999)
		1,804,281	1,098,741	1,801,357	1,073,680
Taxation paid	8(b)	(55,773)	(109,555)	(48,111)	(97,676)
Net cash flows from operating activities		1,748,508	989,186	1,753,246	976,004

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS – Continued

FOR THE YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Notes	2020 ₦'000	2019 ₦'000	2020 ₦'000	2019 ₦'000
Investing activities					
Purchase of property, plant and equipment	11	(1,509,039)	(1,414,376)	(1,491,921)	(1,367,617)
Purchase of Intangible assets	12	(850)	-	-	-
Acquisition of investment properties	13	-	(11,441)	-	(11,441)
Investment in debt Instrument	22b	(487,431)	(187,362)	(487,431)	(187,362)
Liquidation of debt instrument	22b	187,168	124,191	187,168	124,191
Proceeds from disposal of property, plant and equipment		25,670	43,241	3,677	43,241
Rent received	30	166,146	126,468	138,149	105,691
Outflow from bond repayment fund	17	(448,060)	(489,690)	(448,060)	(489,690)
Inflow from bond repayment fund	17	444,564	447,391	444,564	447,391
Interest received	7	86,653	173,076	86,653	167,878
Net cash outflows used in investing activities		(1,535,179)	(1,188,502)	(1,567,201)	(1,167,718)
Financing activities					
Repayment of bond	28	(437,372)	(375,846)	(437,372)	(375,846)
Finance cost	28	(10,688)	(113,844)	(10,688)	(113,844)
Payment of interest on lease	28a	(4,303)	(6,486)	(1,420)	(5,726)
Payment of lease liability	28a	(17,211)	(25,941)	(4,846)	(20,301)
Dividends paid	26c	(487,266)	(406,055)	(487,266)	(406,055)
Net cash flows used in financing activities		(956,840)	(928,172)	(941,592)	(921,772)
Net decrease in cash and cash equivalents		(743,511)	(1,127,488)	(755,547)	(1,113,486)
Cash and cash equivalents at 1 January		1,579,281	2,706,769	1,491,068	2,604,554
Cash and cash equivalents at 31 December	22	835,770	1,579,281	735,521	1,491,068

1. Reporting entity

Nigerian Aviation Handling Company PLC ("nahco aviance" or "the Company") is a company domiciled in Nigeria with its registered office at Murtala Muhammed International Airport, Ikeja, Lagos. The consolidated financial statements of the Company for the year ended 31 December 2020 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The group is primarily involved in provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

2. Basis of preparation

(a) Statement of compliance
The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorized for issue by the directors on 29 March 2021

(b) Functional and presentation currency
These financial statements are presented in the Nigerian Naira, which is the Group's functional currency. Except as indicated, financial information presented in Naira has been rounded to the nearest thousands.

(c) Basis of measurement
These financial statements are prepared on the historical cost basis.

(d) Use of estimates and judgments
The preparation of the consolidated and separate financial statements is in conformity with the IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. 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 estimates are 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.

2. Basis of preparation – Continued

(d) Use of estimates and judgments - Continued

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Determining the timing of satisfaction of Ground and Cargo Handling Services

Revenue from contract with customers is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Company. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company has determined that the input method is the best method in measuring progress of Ground and Cargo Handling Services contracts because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Company's performance completed to date.

Operating lease commitments – Group as lessor

The group has entered into commercial property leases on its investment property portfolio. The group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Going concern

The group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Estimates and assumptions

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 group 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 beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

2. Basis of preparation – Continued

(d) Use of estimates and judgments – Continued

Discount rate used to determine the incremental borrowing rate
The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) as it relates to each specific subsidiary to measure lease liabilities. The IBR is the rate of interest that each entity in the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.
The Group estimates the IBR using the following steps:

Step 1: Reference rate: This is generally a government bond reflecting risk-free rate. Repayment profile was considered when aligning the term of the lease with the term for the source of the reference rate.

Step 2: Financing spread adjustment: Use credit spreads from debt with the appropriate term by considering Company's stand-alone credit rating or similar Company credit rating.

Step 3: Lease specific adjustment: Use of market yield for the leased assets, as an additional data point and to check the overall IBRs calculated.

Re-assessment of useful lives and residual values
The Group carries its PPE at cost less accumulated depreciation and impairment in the consolidated and separate statements of financial position. The annual review of the useful lives and residual value of PPE result in the use of significant management judgements.

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 to sell and its value in use. The fair value less costs to sell 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 for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

The Group recognizes 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 Group 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.

2. Basis of preparation – Continued

(d) Use of estimates and judgments – Continued

Impairment of non-financial assets- Continued

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 Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group 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.

For debt instruments at fair value through OCI, the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the consolidated and separate statements of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

2. Basis of preparation – Continued

(d) Use of estimates and judgments – Continued

Provision for expected credit losses of trade receivable
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 geography, 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 analyzed.

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.

Taxes
Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognized at fair value.

(b) Foreign currency

Foreign currrency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at each reporting date are retranslated to the functional currency at exchange rates as at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in the functional currency translated at the exchange rate at the end of the year. Differences arising on settlement or translation of monetary items are recognised in the profit or loss.

3. Significant accounting policies - Continued

(c) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The attributable cost of each asset is transferred to the relevant asset category immediately the asset is available for use and depreciated accordingly.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

Any gains or losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the profit and loss.

Subsequent costs

The cost of replacing part of an item of property or plant is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably.

The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets under finance lease are depreciated over the shorter of the lease term and their useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date the asset is completed and available for use. Depreciation ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5. A non-current asset or disposal group is not depreciated while it is classified as held for sale.

The estimated useful lives for the current and comparative period are as follows:

Buildings	50 years
Land	Over the lease period
Computer hardware	3-10 years
Furniture, fittings & equipment	2-10 years
Motor vehicles	4- 5 years
Plant and machinery	6-15 years
Capital work-in-progress	Not depreciated

Depreciation methods, useful lives and residual values are reviewed at each financial year- end and adjusted if appropriate.

3. Significant accounting policies - Continued

De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss in the year the asset is derecognised.

(d) Intangible assets

The group's intangible assets comprise software that are not integral part of the related hardware. The intangible assets have finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the profit or loss when the asset is derecognised.

Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(e) Inventories

Inventories are shown at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost includes direct cost and appropriate overheads and is determined on the first-in first-out method.

(f) Financial Instruments

i) Financial assets

Recognition

Non-derivative financial instruments- recognition and measurement

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Group initially recognizes trade and other receivables on the date of transaction. Transaction cost of a financial asset measured at fair value through profit or loss is recognized as profit or loss.

Classification of non-derivative financial assets

Classification and measurement model of non-derivative financial assets are summarized as follows. The Group classifies financial assets at initial recognition as financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income,

3. Significant accounting policies - Continued

(f) Financial Instruments – Continued

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 Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group 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 Group has applied the practical expedient are measured at the transaction price.

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. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group'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. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

i) Classification of non-derivative financial assets – Continued

equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost
A financial asset that meets both the following condition is classified as a financial asset measured at amortized cost.
• The financial asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows.

• 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.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

Debt instruments measured at fair value through other comprehensive income

A debt instrument that meets both the following condition is classified as a financial asset measured at fair value through other comprehensive income.

• The financial asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

• 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.

A debt instrument measured at fair value through other comprehensive income is recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included as "financial asset at fair value through other comprehensive income" in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income are directly transferred to profit or loss when debt instrument is derecognized.

Cash and cash equivalents
Cash and cash equivalents comprise of cash, bank balances and call deposits with original maturities of three months or less.

Trade and other payables
Trade and other payables are stated at amortised cost using the effective interest method. Short-duration other payables with no stated interest rate are measured at original invoice amount unless the effect of imputing interest would be significant.

3. Significant accounting policies – Continued

(f) Financial Instruments – Continued

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or has assumed an obligation to pay those cashflows to one or more recipients, subject to certain criteria.

Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

ii. Non-derivative financial liabilities.

Recognition and measurement of financial liabilities

The Group recognizes financial debt when the Group becomes a party to the contractual provisions of the instruments. The measurement of financial debt is explained in (b) Classification of financial liabilities.

(b) Classification of financial liabilities

A financial liability other than those measured at fair value through profit or loss is classified as a financial liability measured at amortized cost. A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. After initial recognition, the financial liability is measured at amortized cost based on the effective interest rate method.

(c) Derecognition of financial liabilities

The Group derecognizes a financial liability when the financial liability is distinguished, i.e. when the contractual obligation is discharged or cancelled or expired.

3. Significant accounting policies – Continued

Impairment of financial asset

(f) Financial Instruments – Continued

The Group recognizes 12-month expected credit loss as loss allowance when there is no significant increase in the credit risk since initial recognition. When there is a significant increase in credit risk since initial recognition, expected credit losses for the remaining life of the financial assets are recognized as loss allowance. Whether credit risk is significantly increased or not is determined based on the changes in default risk. To determine if there is a change in default risk, following factors are considered. However, the Group always measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses.

- External credit rating of the financial asset
- Downgrade of internal credit rating
- Operating results, such as decrease in sales, decrease in working capital, asset deterioration and increase in leverage.

Financial assets at amortised cost (debt instruments)

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 derecognized, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for impairment. The carrying amount of trade receivable is reduced through the use of an allowance account. When trade receivables are uncollectible, it is written off as 'administrative expenses' in the profit or loss. Subsequent recoveries of amounts previously written off are included in other operating income.

Cash and cash equivalents

Cash and cash equivalents comprise of cash, bank balances and call deposits with original maturities of three months or less.

(g) Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as deductions from equity, net of any tax effects.

Dividend on ordinary shares

Dividends on the Group's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Group's shareholders.

3. Significant accounting policies – Continued

(h) Taxation

Income tax on the profit or loss for the year comprises current tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date and any adjustment required for prior period.

Deferred tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred tax is not recognised for the temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Currently enacted tax rates are used to determine deferred tax. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

(j) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(k) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(l) Revenue from customers from contract

The group is involved in aviation cargo, aircraft handling, crew and passenger transportation service delivery and power distribution. Revenue from contract with customer is recognized when controls of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in an exchange for those goods and services.

Passenger and Aircraft Handling services

The performance obligation is satisfied overtime and payment is generally due upon completion and acceptance of the customers.

(l) Revenue from customers from contract- Continued

Cargo Handling services

These are contracts with customers with respect to cargo handling services and the performance is satisfied overtime and payment is generally due upon completion and acceptance of the customers.

(l) Finance income and expense

Finance income comprise of interest on funds invested. Finance costs comprise interest expense on borrowings, exchange differences on financial instruments and bank charges.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit and loss using the effective interest method. Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position except for foreign currency translation differences recorded in other comprehensive income.

(m) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production of goods and services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisiton of the investment property. Investment property held by the Group is depreciated over the estimated useful life of 50 years on a straight- line basis. Fair values are determined at the end of the reporting period and disclosed.

(n) Earnings per share

The group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period.

(o) Fair value measurement

The group measures financial instruments and non-financial assets such as investment properties, at fair value at each balance sheet date.

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 principal or the most advantageous market must be accessible by the Group.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

3. Significant accounting policies – Continued

(0) Fair value measurement - Continued

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 Group 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.

(p) Current versus non-current classification
The group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:
• Expected to be realised or intended to be sold or consumed in the normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period
Or
• Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

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

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(q) Policy on Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
Group as a lease
The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right of use of assets
The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, plus any accrued lease

3. Significant accounting policies – Continued

Policy on Leases- continued

liabilities or prepayments. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

• Office building 15-20 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include only fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short term leases

The Group applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Group as a lessee

The Group has lease contracts for various land and buildings used in its operations. Leases of land and buildings generally have lease terms between 15 to 20 years.The Group's obligations under its leases are secured by the lessor's title to the leased assets. Most of these lease contracts contain extension and termination options which have been considered in the non-cancellabe period of the lease.

(r) Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the profit or loss over the expected useful life in a pattern

3. Significant accounting policies – Continued

(r) Government Grant- Continued

of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

4. Changes in accounting policies and disclosures

4a. Standards and interpretations issued and effective

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group, but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark- based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

4. Changes in accounting policies and disclosures- Continued

4a. Standards and interpretations issued and effective- Continued

Amendments to IFRS 16 COVID-19 Related Rent Concessions
On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. This amendment had no impact on the consolidated financial statements of the Group

4b. Standards and interpretations issued not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 January 2021or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint ventures

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its

parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Group's consolidated and separate financial statements.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more

4. Changes in accounting policies and disclosures- Continued
4b. Standards and interpretations issued not yet effective
IFRS 17 Insurance Contracts- Continued

useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification .

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Reference to the Conceptual Framework IV Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential day 2 gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary

4. Changes in accounting policies and disclosures- Continued

4b. Standards and interpretations issued not yet effective

Reference to the Conceptual Framework IV Amendments to IFRS 3 - Continued

for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter-continued apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

4. Changes in accounting policies and disclosures

4b. Standards and interpretations not yet effective- Continued

Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

On 27 August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. With publication of the phase two amendments, the IASB has completed its work in response to IBOR reform. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Inherent in allowing the use of this practical expedient is the requirement that the transition from an IBOR benchmark rate to an RFR takes place on an economically equivalent basis with no value transfer having occurred. Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognised. If they are not substantial, the updated effective interest rate (EIR) is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognised in profit or loss.

The practical expedient is required for entities applying IFRS 4 that are using the exemption from IFRS 9 (and, therefore, apply IAS 39) and for IFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued. Permitted changes include redefining the hedged risk to reference an RFR and redefining the description of the hedging instruments and/or the hedged items to reflect the RFR. Entities are allowed until the end of the reporting period, during which a modification required by IBOR reform is made, to complete the changes. Any gains or losses that could arise on transition are dealt with through the normal requirements of IFRS 9 and IAS 39 to measure and recognise hedge ineffectiveness.

Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR. The cash flow hedge reserve is released to profit or loss in the same period or periods in which the hedged cash flows based on the RFR affect profit or loss.

For the IAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero. This relief applies when the exception to the retrospective assessment ends.

The amendments provide relief for items within a designated Company of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued. As items within the hedged Group transition at different times from IBORs to RFRs, they will be transferred to sub-Group's of instruments that reference RFRs as the hedged risk.

As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR

4. Changes in accounting policies and disclosures

4b. Standards and interpretations not yet effective- Continued

Relief from discontinuing hedging relationships- Continued

reform. The phase two reliefs cease to apply once all changes have been made to financial instruments and hedging relationships, as required by IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. The relief allows entities upon designation of the hedge, to assume that the separately identifiable requirement is met, provided the entity reasonably expects the RFR risk component to become separately identifiable within the next 24 months.

IFRS 7 Financial Instruments: Disclosures includes the following:

How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform

• Disaggregated by each significant IBOR benchmark, quantitative information about financial instruments that have yet to transition to RFRs

• If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes

Effective for annual periods beginning on or after 1 January 2021

5. Revenue

The Group's revenue represents the amount invoiced to customers for passenger handling, ground handling and cargo less trade discounts but excluding value added tax.

Revenue from Contracts with Customer	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Passenger/aircraft handling	2,560,313	5,351,383	2,560,313	5,371,696
Cargo handling (Import Cargo)	3,444,231	3,608,990	3,254,738	3,424,970
Cargo handling (Export Cargo)	397,484	348,635	397,484	348,635
	6,402,028	9,309,008	6,212,535	9,145,301
Revenue other than from contracts with customers				
Leasing	353,695	262,241	196,072	-
Equipment rental and maintenance	370,398	424,896	370,398	424,896
	724,093	687,137	566,470	424,896
Total revenue	7,126,121	9,996,145	6,779,005	9,570,197

Passenger/aircraft handling: Income from passenger handling includes invoices raised for check in formalities, passenger profiling, security and baggage handling (loading and offloading).

Cargo Handling: These include invoices raised for; cargo documentation services for airlines, import and export cargo facilitation through Nigeria's biggest network of customs bonded warehouses in Lagos, Kano, Abuja, Port-Harcourt and Enugu, using Galaxy computerisation system, which ensures safe storage and easy retrieval of cargoes.

Equipment rental and maintenance: The group leases its equipment to airlines for services that are not covered in the Standard Ground Handling Agreement.

Leasing: The company is into the leasing of properties and heavy-duty equipment to different Airline companies

b. Ten major customers contributed ₦2.33billion (2019: ₦5.86billion) towards the revenue of the Group.

6. Other income

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Rental income from investment property (Note 30)	179,245	159,855	143,148	156,142
Sundry income**	160,199	79,002	146,396	75,549
Foreign exchange difference	156,180	(3,106)	156,003	(3,106))
Profit on disposal of property, plant and equipment	2,063	8,179	2,418	8,179
Income from training services	1,000	1,102	1,000	1,102
Invoice price variance	6,513	-	6,513	-
Grants*	76,067	-	76,067	-
	581,267	245,032	531,545	237,866

6. Other income- Continued

*This is the financial supports received by the Group from the Federal Government of Nigeria during the year to cushion the impact of COVD-19 on the Group's operation.

** Sundry income relates to commission received, agents' registration fees and insurance claims

7. Finance income and expense calculated using effective interest method

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Finance income:				
Interest income on bond reserve (Note 17)	3,149	12,666	3,149	12,666
Interest income on debt instrume	48,377	51,357	48,377	51,357
Interest income on fixed & bank deposits	35,127	109,053	35,127	103,855
	86,653	173,076	86,653	167,878
Interest expense on financial liabilities measured at amortised cost				
Interest on bond (Note 28)	7,982	114,335	7,982	114,335
Other bond charges (Note 17)	6,987	3,351	6,987	3,351
Interest cost on lease liabilities(note 28a)	188,495	182,633	176,768	182,203
Finance costs	203,464	300,319	191,737	299,889
Net finance costs	(116,811)	(127,243)	(105,084)	(132,011)

Finance income comprises interest income on funds invested. Finance costs comprise of interest expenses on borrowings. Effective June 2016, Tranche 2 bond was restructured to enable half -yearly liquidation of principal and interest renegotiated to 15.75% per annum.
The full effect of the gains due to the restructuring of bond 2 will be felt incrementally over five year's period to 2020.

8. Taxation

(a) The tax charge for the period comprises:

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Company income tax	145,315	198,638	124,424	180,813
Education tax	26,465	33,979	24,815	32,620
Prior year under provision	157,742	30,558	157,742	30,558
	329,522	263,175	306,981	243,991
Deferred tax (Note 8c)	(270,374)	360,129	(269,161)	359,755
	59,148	623,304	37,820	603,746

8. Taxation- continued

(b) The movement on the current tax payable account during the year was as follows:

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	508,921	355,301	486,933	340,618
Charge for the year (Note 8a)	329,522	263,175	306,981	243,991
Payments made during the year	(55,773)	(109,555)	(48,111)	(97,676)
At 31 December	782,670	508,921	745,803	486,933

Reconciliation between tax expense and the product of accounting profit for the year ended 31 December 2020 is as follows:

	Group		Company	
	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000
Accounting profit before income tax	361,279	1,340,503	329,642	1,040,114
At Nigeria's statutory income tax rate of 30% (2019: 30%)	108,383	402,151	98,892	312,034
Education tax	26,465	33,979	24,816	32,620
Balancing charge	1,071	-	1,071	-
Non-deductible expenses	304,006	286,494	288,583	281,622
Non-taxable income	(15,417)	(104,361)	(15,238)	(104,361)
Under provision in the previous year	157,742	30,558	157,742	30,558
Capital Allowance unabsorbed	(523,102)	49,084	(518,046)	51,273
Income tax expense reported in the profit or loss	59,148	623,304	37,820	603,746
Effective tax rate (%)	16	57	11	58

(c) The movement on the deferred tax liability during the year was as follows:

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	1,075,790	715,661	1,073,428	713,673
(Credit)/charge for the year	(270,374)	360,129	(269,161)	359,755
At 31 December	805,416	1,075,790	804,267	1,073,428

8. Taxation- continued

(c) Deferred tax liability – Continued:
Deferred tax relates to the following:
Group

	Statement of Financial Position		Statement of Comprehensive Income	
	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	1,672,018	1,333,722	338,296	(220,685)
Unrealised exchange loss	178	(931)	1,109	(931)
Capital Allowance unutilised	(256,063)	-	(256,063)	502,921
Financial asset impairment	(610,717)	(257,001)	(353,716)	78,824
Deferred tax expense			(270,374)	360,129
Deferred tax liabilities	805,416	1,075,790		

Company

	Statement of Financial Position		Statement of Comprehensive Income	
	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000
Property, plant and equipment	1,667,334	1,328,139	339,195	(223,482)
Unrealised exchange gain loss	-	(931)	931	(931)
Capital Allowance absorbed	(610,515)	-	(610,515)	502,745
Impairment on financial assets	(252,552)	(253,780)	1,228	81,423
Deferred tax expense			(269,161)	359,755
Deferred tax liabilities	804,267	1,073,428		

9a. Operating costs

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Payroll	2,892,447	3,270,214	2,873,975	3,251,556
Local travels	3,519	47,635	1,031	45,878
Depreciation, amortization(Note 9d)	876,245	834,350	863,962	724,325
Diesel, oil, motor repairs & fuel expenses	99,430	245,890	99,430	245,678
Trainings (internal & external)	30,514	463,610	30,274	461,640
Outstation & estacode allowance	2,274	510,882	1,940	509,003
Air ticket (local & foreign)	12,979	53,176	8,615	53,176
Other security expenses	6,207	57,746	6,207	50,408
Machineries & equipment spares	120,801	194,083	120,801	194,083
Boots, helmets, ear muff & co.	4,712	6,789	2,356	6,789
Computer consumables & network exp.	60,068	85,670	60,068	85,670
Electricity	55,003	62,341	55,003	61,876
Insurance	85,700	123,786	85,637	123,465
Printing & stationeries	12,284	5,670	8,567	5,670
Subscriptions	12,336	48,055	12,265	48,055
Relocation expenses (staff & equipment)	14,650	41,632	14,650	41,632
Office & warehouse maintenance	24,468	77,107	24,468	77,107
Airlines surcharge	1,510	11,391	1,510	11,391
Bank charges	19,732	19,456	18,534	19,158
Office expenses	8,498	76,565	2,254	76,565
Freights	6,923	12,321	6,923	11,254
Concession expenses	357,485	377,800	357,485	377,800
Maintenance	6,083	12,469	6,083	12,457
Other operating costs**	109,785	52,232	29,934	72,250
	4,823,653	6,690,870	4,691,972	6,566,886

** Other operating costs consist of rent and rates, warehouse expenses, clearing etc.

9b. Administrative expenses;

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Payroll costs	1,060,250	1,071,026	972,134	1,065,232
Directors remuneration	36,000	36,000	36,000	36,000
Board expenses	234,873	179,798	232,385	170,178
Local travels	3,353	24,187	271	23,098
Depreciation/amortization (Note 9d)	123,318	93,255	97,984	64,227
Diesel, oil motor repairs & fuel expenses	22,317	12,479	21,861	11,285
Trainings (internal & external)	21,885	44,568	21,825	44,401
Outstation & estacode	13,816	47,704	13,816	47,704
Hotel accommodation	27,087	35,680	27,087	35,680
Air ticket (local & foreign)	17,523	35,678	17,523	35,678
Outsourced security	50,649	46,989	49,114	46,989
Other security expenses	13,233	26,502	12,987	26,273
Machineries & equipment spares	35,770	7,809	35,770	7,809
Boots, Helmets, ear muff & co.	47,196	13,154	45,547	12,345
Computer consumables & network exps.	48,787	57,682	48,533	56,938
Electricity	13,000	22,270	13,000	22,270
Insurance	17,578	15,726	16,682	15,552
Printing & stationeries	38,351	19,980	38,146	19,980
Audit fees	18,000	14,000	14,000	14,000
Office & warehouse maintenance	22,906	23,890	22,607	23,890
Filling, company secretariat Fees	5,221	4,500	5,221	4,500
Advertisement	13,041	10,319	13,041	10,319
Corporate social responsibility & Corporate gifts	46,765	47,840	46,765	47,840
Public relations, business promotion & Business dev. exp.	104,158	45,321	98,526	45,321
Subscriptions	28,440	5,484	27,083	5,484
Professional fees **	188,801	242,591	188,427	242,591
Other administrative expenses***	115,422	221,802	69,401	221,802
	2,367,740	2,406,234	2,185,736	2,357,386

*** Other administrative expenses consist of security services etc.

** Professional fees are analyzed as follows;

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Consulting fees	151,576	186,005	151,202	186,005
Registrar's fees	7,396	4,500	7,396	4,500
Legal fees	26,303	46,478	26,303	46,478
Accounting fees	3,526	5,608	3,526	5,608
	188,801	242,591	188,427	242,591

	Group		Company	
9c. Expected credit losses/write-back	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Expected credit losses expenses (write-back) on trade receivable (Note 31)	51,518	(330,277)	43,178	(334,727)
Expected credit loss (write-back)/expenses on intercompany (Note 21a)	-	-	(32,021)	40,397
Expected credit losses(write-back)/expenses on short term deposit (Note 22a)	(15,818)	8,211	(15,246)	7,603
Expected credit losses expenses/ (write-back) treasury bill (Note 22c)	2,205	(1,607)	2,205	(1,607)
	37,905	(323,673)	(1,884)	(288,334)

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
9d. Depreciation and Amortization	₦'000	₦'000	₦'000	₦'000
Depreciation of property, plant and equipment (Note 11)	901,788	831,296	872,504	696,049
Amortisation of intangible assets (Note 12)	17,901	18,088	17,816	18,088
Depreciation of investment property (Note 13)	3,604	6,394	3,604	6,394
Depreciation of right-of-use asset (Note 11a)	76,270	71,827	68,021	68,021
	999,563	927,605	961,945	788,552
Depreciation and amortization allocation:				
Operating Costs	876,245	834,350	863,962	724,325
Administrative expenses	123,318	93,255	97,984	64,227
	999,563	927,605	961,946	788,552

10. Basic earnings per share

The calculation of basic earnings per share at 31 December 2020 was based on the earnings attributable to ordinary shareholders of ₦291.50million (2019: earnings of ₦710.31million) and on ordinary shares of 1,624,218,200 of 50k each being the average number of ordinary shares in issue during the year.

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Profit attributable to ordinary shareholders	291,504	710,313	291,822	436,368
Average number of ordinary shares	1,624,218	1,624,218	1,624,218	1,624,218
Basic/diluted earnings per share (Kobo)	18	44	18	27

11. Property, Plant and Equipment – Group

GROUP	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Furniture & Equipment ₦'000	Capital WIP ₦'000	Total ₦'000
COST:								
At I January 2019	50,218	3,203,757	7,364,904	447,180	1,479,864	466,061	47,686	13,059,670
Additions	-	46,025	1,042,386	270,306	32,186	23,473	-	1,414,376
Disposals	-	-	(1,047)	(140,856)	-	(514)	-	(142,417)
At 31 December 2019	50,218	3,249,782	8,406,243	576,630	1,512,050	489,020	47,686	14,331,629
Additions	-	96,069	1,261,096	45,099	69,880	36,895	-	1,509,039
Disposals	-	-	(9,474)	(46,928)	(860)	(331)	-	(57,593)
At 31 December 2020	50,218	3,345,851	9,657,865	574,801	1,581,070	525,584	47,686	15,783,075
DEPRECIATION:								
At 1 January 2019	6,908	456,761	4,364,300	434,651	1,230,753	409,601	-	6,902,974
Charge for the year	1,000	72,921	599,865	59,398	74,163	23,949	-	831,296
Disposals	-	-	(1,047)	(105,807)	-	(501)	-	(107,355)
At 31 December 2019	7,908	529,682	4,963,118	388,242	1,304,916	433,049	-	7,626,915
Charge for the year	1,000	82,454	628,434	72,665	86,799	30,486	-	901,788
Disposals	-	-	(9,469)	(24,154)	(280)	(83)	-	(33,986)
At 31 December 2020	8,908	612,136	5,582,033	436,753	1,391,435	463,452	-	8,494,717
NET BOOK VALUE:								
At 31 December 2020	41,310	2,733,715	4,075,832	138,048	189,635	62,132	47,686	7,288,358
At 31 December 2019	42,310	2,720,100	3,443,125	188,388	207,134	55,971	47,686	6,704,714

11. Property, plant and equipment – Company

	Land	Building	Plant & Machinery	Motor Vehicles	Computer Equipment	Furniture & Equipment	Capital WIP	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
COST:								
At 1 January 2019	50,218	3,115,642	5,756,105	433,353	1,467,830	410,760	47,686	11,281,594
Additions	-	46,025	1,042,471	228,781	29,230	21,209	-	1,367,617
Disposal	-	-	(1,047)	(140,856)	-	(514)	-	(142,417)
Transfers	-	-	*819,162	-	-	-	-	*819,162
At 31 December 2019	50,218	3,161,667	7,616,691	521,278	1,497,060	431,455	47,686	13,326,055
Additions	-	96,069	1,261,096	29,401	68,559	36,796	-	1,491,921
Disposal	-	-	(9,474)	(15,878)	(280)	(331)	-	(25,963)
At 31st December 2020	50,218	3,257,736	8,868,313	534,801	1,565,339	467,920	47,686	14,792,013
DEPRECIATION:								
At 1 January 2019	6,908	450,679	3,729,032	423,235	1,221,650	391,575	-	6,223,079
Charge for the year	1,000	71,159	483,062	50,553	72,043	18,232	-	696,049
Disposals	-	-	(1,047)	(105,807)	-	(501)	-	(107,355)
At 31 December 2019	7,908	521,838	4,211,047	367,981	1,293,693	409,306	-	6,811,773
Charge for the year	1,000	80,692	621,245	60,300	84,602	24,665	-	872,504
Disposals	-	-	(9,469)	(15,098)	(54)	(83)	-	(24,704)
At 31 December 2020	8,908	602,530	4,822,823	413,183	1,378,241	433,888	-	7,659,573
NET BOOK VALUE:								
At 31 December 2020	41,310	2,655,206	4,045,490	121,618	187,098	34,032	47,686	7,132,440
At 31 December 2019	42,310	2,639,829	3,405,644	153,297	203,367	22,149	47,686	6,514,282

11. Property, plant and equipment – Company-continued

*This represents the value of property, plant and equipment transferred by NAHCO to NAHCO FTZ in 2015 which the subsidiary transferred back in 2019 which was used to offset the part of the Deposit for shares in NAHCO FTZ

None of the items of PPE has been pledged for securities for liabilities during the year. 2019; Nil)

11a. Right-of-use assets- Group

	Building	Total
Cost:	₦'000	₦'000
At 1 January 2019	903,637	903,637
At 31 December 2019	903,637	903,637
Additions	-	-
31 December 2020	903,637	903,637
Depreciation:		
At 1 January 2019	-	-
Charge for the year	71,827	71,827
At 31 December 2019	71,827	71,827
Charge for the year	76,270	76,270
At 31 December 2020	148,097	148,097
Net Book Value:		
31 December 2020	755,540	755,540
31 December 2019	831,810	831,810

11a. Right-of-use asset- Company

	Building	Total
Cost;	₦'000	₦'000
At 1 January 2019	894,987	894,987
Additions	-	-
At 31 December 2019	894,987	894,987
Additions	-	-
At 31 December 2020	894,987	894,987
Depreciation		
1 January 2019	-	-
Charge for the year	68,021	68,021
At 31 December 2019	68,021	68,021
Charge for the year	68,021	68,021
At 31 December 2020	136,042	136,042
Net Book Value		
31 December 2020	758,945	758,945
31 December 2019	826,966	826,966

	Group Dec-20 ₦'000	Group Dec-19 ₦'000	Company Dec-20 ₦'000	Company Dec-19 ₦'000
12. Intangible assets				
Cost:				
At 1 January	440,906	440,906	347,284	347,284
Additions	850	-	-	-
At 31 December	441,756	440,906	347,284	347,284
Amortization:				
At 1 January	292,681	274,593	292,681	274,593
Amortization for the year	17,901	18,088	17,816	18,088
At 31 December	310,582	292,681	310,497	292,681
Carrying amount:				
At 31 December	131,174	148,225	36,787	54,603

13. Investment property

	Group Dec-20 ₦'000	Group Dec-19 ₦'000	Company Dec-20 ₦'000	Company Dec-19 ₦'000
Cost:				
At 1 January	172,640	161,199	172,640	161,199
Additions	-	11,441	-	11,441
At 31 December	172,640	172,640	172,640	172,640
Depreciation:				
At 1 January	35,726	29,332	35,726	29,332
Charge for the year	3,604	6,394	3,604	6,394
At 31 December	39,330	35,726	39,330	35,726
Carrying amounts				
At 31 December	133,310	136,914	133,310	136,914

The fair value of the investment property at 31 December 2020 was ₦665million (2019: ₦660m). Total rental revenue from the investment property for the year ended 31 December 2020 was ₦143million (2019: ₦156million). The fair value of the properties is based on valuation performed by Biodun Olapade & Co., accredited independent valuers. Biodun Olapade & Co is a renowned specialist in valuing these types of investment properties.

13. Investment property – Continued

	Company & Group	
	Dec-20	Dec-19
	₦'000	₦'000
Total Rental income from investment properties	143,148	156,142
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	(11,165)	(48,659)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	-	-
Profit arising from investment properties	131,983	107,483

The group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Fair value hierarchy disclosures for investment properties are in Note 34.

14. Investment in subsidiaries

	Company	
	Dec-20	Dec-19
	₦'000	₦'000
Shares in subsidiaries:		
Nahco FTZ Limited	10,000	10,000
Nahco Energy and Infrastructure Limited	25,500	25,500
Mainland Cargo Options Ltd	4,000	4,000
	39,500	39,500

Details of the Group's subsidiaries at the end of the reporting date are as follows:

(i) NAHCO FTZ Limited
The company holds ₦10million ordinary shares of N1 in this subsidiary, representing 100 percent of the issued share capital of ₦10million. The principal activity of this subsidiary is the management and operation of Free Trade Zone which includes: leasing of plant and equipment, logistics, warehousing, transhipment, manufacturing and provision of related services. NAHCO FTZ was granted approval to operate at the Murtala Mohammed International Airport, Lagos as NFZ by the Nigerian Export Processing Zone Authority (NEPZA) in February 2014 and the applicable fees have been paid. The company has since commenced activities towards making the zone operational.

(ii) NAHCO Energy and Infrastructure Limited
The company holds ₦25.5million ordinary shares of ₦1 in this subsidiary representing 63 percent of the issued share capital of ₦40.5million. The remaining shares are held by RHG, a shareholder of Nigerian Aviation Handling Company Plc. The company intends to carry out energy and power distribution in Nigeria.

Intercompany balances between the holding company and its subsidiaries have been eliminated on consolidation.

14. Investment in subsidiaries – Continued

(iii) Mainland Cargo Options Limited

The company holds 4million ordinary shares in the subsidiary representing 40% of the issued share capital of ₦10Million. The remaining 60% are owned by Nahco Energy and Infrastructure Limited. Consequently, the Group has 77.8% interest in Mainland Cargo Options Limited. In addition, the business strategy, operations and the board of the Company are under the control of Nigerian Aviation Handling Company Plc. The company is into cargo logistics and started operations in 2015.

Disclosure of Entity with Non-Controlling Interest within the group
Summary of financial position
and performance of Mainland Cargo Options
Limited as at 31 December 2020 is as shown below:

Proportion of equity interests held by non-controlling interests	"Country of incorporation and Operation"	22.20%	22.20%
		31/12/2020	31/12/2019
Mainland Cargo Options Limited	Nigeria	₦'000	₦'000
Non-current assets		30,391	25,416
Current assets		255,371	227,882
Total assets		285,762	253,298
Total equity		97,334	78,375
Non-controlling interest		32,787	16,299
Non-current liabilities		2,361	2,361
Current liabilities		153,278	172,562
Total equity and liabilities		285,762	253,298

Summarized Statement of comprehensive income

	31/12/2020	31/12/2019
	₦'000	₦'000
Revenue	189,475	163,708
Profit	32,336	32,336
Profit attributable to the owners of the company	40,207	25,125
Profit attributable to the non-controlling interests	11,540	7211
Other Comprehensive income	-	-
Total Comprehensive income	51,747	32,336
Summary of Cashflow		
Net cashflow from/(used in) operating activities	49,036	(11,700)
Net cashflow used in investing activities	(17,259)	(12,686)
Net cashflow used in financing activities	(1,033)	(10,610)

Nahco Energy and Infrastructure Limited has not commenced operations. Hence, its summary financial statements are not provided.

15. Deposit for Shares

	Company	
	Dec-20	Dec-19
	₦'000	₦'000
At 1 January	-	1,554,538
Transfer of Equipment from NAHCO FTZ	-	(819,162)
Intercompany Settlement	-	(735,376)
At 31 December	-	-

This relates to the value of equipment transferred back to NAHCO by NAHCO FTZ during the year which initially was recognized as deposit for shares in NAHCO FTZ

17. Other current assets

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
Other current assets comprise of:				
	₦'000	₦'000	₦'000	₦'000
Bond repayment fund-				
At 1 January	7,866	40,850	7,866	40,850
Interest income on bond	3,149	12,666	3,149	12,666
Other bond charges	(6,987)	(3,351)	(6,987)	(3,351)
Additions during the year	444,564	447,391	444,564	447,391
	448,592	497,556	448,592	497,556
Interest distributions	(10,688)	(113,844)	(10,688)	(113,844)
Periodic liquidation on Principal - Tranche 2	(437,372)	(375,846)	(437,372)	(375,846)
At 31 December	532	7,866	532	7,866

17. Other current assets-continued

The balance on this account represents the amount available in the Debt Service Reserve Account for the eventual repayment of the principal amount of the Bond. An amount is set aside every month towards settlement of bi- annual interests and eventual repayment of principal to bond holders. Tranche 1 bond series repayment was completed in September 2016 and the liability was fully discharged. The amount accrued as at 31 December 2020 is held by the Trustees. (See Note 28)

18. Inventories

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Spare parts	200,203	214,704	200,203	214,704
Stationeries/medical	59,156	56,516	59,156	56,516
Diesel	11,388	13,571	11,388	13,571
	270,747	284,791	270,747	284,791

Inventories recognized as an expense during 2020 amount to ₦99.43million (2019: ₦245.67million). This is recognized in operating costs. No amount was recognized for inventory write down during the year (2019: Nil).

19. Prepayments

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Prepayments comprise:				
Deposit for property, plant & equipment	979,206	2,108,328	791,513	1,915,443
Prepaid insurance	95,441	117,951	94,350	117,444
Prepaid Stock	155,418	42,642	155,419	42,640
Others*	79,190	41,230	53,900	22,087
	1,309,255	2,310,151	1,905,182	2,097,614

Amount for deposit for assets is largely made up of assets paid for but yet to be delivered.
* others include payment for Hygeia HMO, annual dues etc.

20. Trade and other receivables

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Trade and other receivables comprise:				
Trade receivables (Note 31)	2,141,145	2,292,872	1,946,315	2,118,183
Less Allowance for expected credit losses (Note31)	(844,902)	(793,384)	(825,797)	(782,619)
	1,296,243	1,499,488	1,120,518	1,335,564
Withholding tax receivable	855,288	681,713	837,450	675,710
Other receivables	391,426	353,439	382,344	339,947
	2,542,957	2,534,640	2,340,312	2,351,221

Trade receivables are invoices on ground handling services issued to customers net of taxes and allowance for expected credit losses on the debts. The group's credit policy allows a 30-day credit period for all its customers. Other receivables consist of advances to staff for routine services to be carried out. This is to be retired within fourteen (14) days or on the completion of projects.

21. Intercompany receivables

	Company	
	Dec-20	Dec-19
	₦'000	₦'000
Nahco FTZ Limited	166,107	168,766
NAHCO Energy and Infrastructure Limited	420,760	420,760
Mainland Cargo Options	42,639	41,095
	629,506	630,621
Less allowance for expected credit losses (Note 32)	(15,842)	(47,863)
	613,664	582,758

21a. Allowance for expected credit losses of Intercompany receivables

	Dec-20	Dec-19
	₦'000	₦'000
At 1 January	47,863	7,466
Credit losses (write-back)/expenses (Note 9c)	(32,021)	40,397
At 31 December	15,842	47,863

Intercompany receivables are funding assistance provided to subsidiaries to finance operations. The fund is repayable on demand & attracts no interest. Intercompany receivables are eliminated in the consolidated accounts of the Group.

Refer to Note 21b for details of related party transactions.

21b. Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year (for information regarding outstanding balances at 31 December 2020 and 2019, refer to Note 21b:

21b. Related party transactions – Continued

		Payments on behalf of related parties ₦'000	Rent/ service charge ₦'000	Amounts due from related parties ₦'000
Nahco FTZ Limited	2020	166,107	-	166,107
	2019	168,766	-	168,766
NAHCO Energy and Infrastructure Limited	2020	420,760	-	420,760
	2019	420,760	-	420,760
Mainland Cargo Options	2020	-	42,639	42,639
	2019	-	41,095	41,095

Nature of related party transactions
Intercompany receivables are payments made on behalf of the subsidiaries. The subsidiaries have been informed and the company expects to get value from the subsidiaries.
Intercompany receivables are eliminated in the consolidated accounts of the Group.

Parent
The ultimate controlling party of the Group is Nigerian Aviation Handling Company Plc (nahco aviance). The company acquired a 100% stake in a Subsidiary Company, NAHCO FTZ and a 63% and 40% stake in the second and third subsidiaries; NAHCO Energy and Power and MCO respectively.

Key Management Personnel (KMP)
Key management personnel are those who have authority and responsibility for planning, directing and controlling activities in the Group either directly or indirectly. These include;
1. Executive Directors
2. Non- Executive Directors
3. Management team that implements Board strategies by Board delegated authority
4. Key Management Personnel of the company's subsidiaries: NAHCO NFZ, NAHCO Energy and Power and Mainland Cargo Options Ltd.

Transactions with key management personnel
There were no transactions with key management personnel or their close family members (2019 : Nil).

Loans to directors
The group did not lend money to any of its Directors during the year under review.

Payments on behalf of key management personnel (KMP):
There were no payments made on behalf of the KMPs during the year in review. (2019: Nil)

Key management personnel compensation:
Variable pay is applicable to Executive Directors and other Senior Management personnel. A total of ₦20 million (2019: ₦32million) is deferred subject to performance conditions of the Group and individuals.

Key management personnel compensation for the year comprised:

21b.Related party transactions – Continued

	Group		Company	
	2020	2019	2020	2019
Aggregate No. of persons- Snr Mgt.	12	12	8	8
Aggregate No. of persons- Non-Exec. Directors.	11	11	8	8
Other Members	-	-	-	-
Total	23	23	16	16

	Group		Company	
	2020	2019	2020	2019
	₦'000	₦'000	₦'000	₦'000
Short-term employee benefits- Fixed	149,069	165,574	136,321	125,016
Short-term employee benefits- Variable	88,069	79,709	7,896	79,002
Total	237,138	245,283	144,216	215,328

Transactions with other related party
The following are the related parties of the Group;
1. Key management personnel of NAHCO Plc and close members of their families.
2. Key management personnel of the subsidiaries, NAHCO FTZ, NAHCO Energy and MAINLAND CARGO OPTIONS.
3. Entities controlled by the above or where they have significant influence.

Entity with control by the Company
NAHCO FTZ Limited
NAHCO Energy and Infrastructure Limited
Mainland Cargo Options.

22. Cash and cash equivalents

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Bank and cash balances	191,332	208,582	156,365	186,451
Domiciliary accounts	275,319	267,090	270,507	216,407
Short term deposits (Note 32)	369,119	1,103,609	308,649	1,088,210
	835,770	1,579,281	735,521	1,491,068
Allowances for Expected credit losses on short-term deposits (Note 22a)	(241)	(16,059)	(203)	(15,449)
Net cash & cash equivalents	835,529	1,563,222	735,318	1,475,619

Included in short term deposits is the investment placed for unclaimed dividend as at 31 December 2020.

Short-term deposits are made for varying period between one day and three months depending on the Immediate cash requirements of the Group and earn interest at the respective short-term deposit rates.

22a. Allowances for expected credit losses of short-term deposits

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	16,059	7,848	15,449	7,846
Credit losses(write-back)/expenses (Note 9c)	(15,818)	8,211	(15,246)	7,603
At 31 December	241	16,059	203	15,449

22b. Debt Instrument at Amortized costs

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	187,168	124,191	187,168	124,191
Liquidation	(187,168)	(124,191)	(187,168)	(124,191)
Treasury Bill (Note 32)	487,431	187,362	487,431	187,362
Allowances for expected credit losses On treasury bills (Note 32)	(2,399)	(194)	(2,399)	(194)
At 31 December Federal Govt Treasury Bill	485,032	187,168	485,032	187,168

This relates to the Group's investment in Federal Government of Nigeria treasury bills and issued by the Central Bank of Nigeria.

22. Cash and cash equivalents-continued

22c. Expected credit losses of debt instrument at amortized cost

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	194	1,801	194	1,801
Credit losses expenses/(write-back) (Note 9c)	2,205	(1,607)	2,205	(1,607)
At 31 December	2,399	194	2,399	194

23. Share capital

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
(a) 3,000,000,000 ordinary shares of 50 kobo each	1,500,000	1,500,000	1,500,000	1,500,000
(b) 1,624,218,700 called-up and fully paid ordinary shares of 50 kobo each	812,109	812,109	812,109	812,109

All shares rank equally with regard to the Group's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group.

24. Share premium

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 31 December	1,914,758	1,914,758	1,914,758	1,914,758

Share premium is the excess paid by shareholders over the nominal value for their shares.

25. Dividend proposed

The directors will propose12.5k dividend for FY 2020 at the next Annual General Meeting (2019: 30 kobo) The dividend is subject to approval by the shareholders at the Annual General Meeting. Consequently, it has not been included as a liability in these consolidated financial statements.

Refer to Note 26b for details relating to dividend.

26. Retained earnings

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	4,032,142	3,727,884	4,067,992	4,037,679
Dividend paid (Note 26b)	(487,266)	(406,055)	(487,266)	(406,055)
Total comprehensive income for the year	291,504	710,313	291,822	436,368
At 31 December	3,836,380	4,032,142	3,872,548	4,067,992

Retained earnings represent the income net of expenses from past periods, carried forward plus current period profit attributable to shareholders.

26b. Changes in liabilities arising from financing activities

	1 January 2020 ₦'000	Dividend declared ₦'000	Cash flows ₦'000	31 December 2020 ₦'000
Dividend declared and paid	-	487,266	(487,266)	-
Unclaimed dividend	566,606	-	58,961	625,567
Total liabilities from financing activities	566,606	487,266	(428,305)	625,567

	1 January 2019 ₦'000	Dividend declared ₦'000	Cash flows ₦'000	31 December 2019 ₦'000
Dividend declared and paid	-	406,055	(406,055)	-
Unclaimed dividend	566,261	-	345	566,606
Total liabilities from financing activities	566,261	406,055	(405,710)	566,606

26c. Dividend Per share

	Group		Company	
	Dec-20 ₦'000	Dec-19 ₦'000	Dec-20 ₦'000	Dec-19 ₦'000
Dividend approved and paid	487,266	406,055	487,266	406,055
Number of shares in issue	1,624,218	1,624,218	1,624,218	1,624,618
Dividend Per share (kobo)	0.30	0.25	0.30	0.25

27. Non-controlling interests

Group	Dec-20 ₦'000	Dec-19 ₦'000
At 1 January	(124,025)	(130,911)
Share of current year profit	10,627	6,886
At 31 December	(113,398)	(124,025)

This represents the portion of the minority shareholder in the called-up share capital of the subsidiary, Nahco Energy and Infrastructure Limited, together with their share of losses that are attributable to their proportion of the ordinary share capital.

28. Loans and borrowings

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Unsecured at amortised cost:				
At 1 January	440,078	815,433	440,078	815,433
Interest expense	7,892	114,335	7,982	114,335
Part Liquidation	(437,372)	(375,846)	(437,372)	(375,846)
Interest paid	(10,688)	(113,844)	(10,688)	(113,844)
At 31 December	-	440,078	-	440,078
Non-current	-	-	-	-
Current	-	440,078	-	440,078
	-	440,078	-	440,078

In September 2009, the Group obtained approval to raise ₦5billion bond but decided to raise it in tranches.

Tranche 1 for ₦2.15billion at 13 percent per annum was raised in October 2011 and had a 5-year tenor. The proceeds have since been used to finance the modernisation of the warehouse and acquisition of state-of-the-art Ground Handling Equipment (GSE).

Tranche 2 for ₦2.05billion at 15.25 percent per annum was raised in December 2013 and has a 7-year tenor. The proceed has been used to finance the acquisition of GSEs and the Company's inorganic expansion.

Interest is paid to investors biannually while the capitalised sum is expected to be paid at the end of the tenor of each tranche. During the year under review, the Group sought approval from bondholders to restructure the tranche 2 bond to enable principal liquidation on a semi-annual basis. 25% of the bond was liquidated at June 2016 and the balance was spread for semi- annual liquidation over the remaining years of the bond. A premium of 0.5% was agreed as premium jacking the interest on tranche 2 to 15.75%.

Also, the tranche 1 and 2 bond were completely paid off and all liabilities discharged accordingly. The Trustees, (First Trustees Limited), maintain an account into which monthly remittances by the Group are made towards offsetting the biannual interest payments as well as repayment of the capital sum. The group's cashflow is therefore not expected to be affected as full payment had been made for the settlement of the entire bond.

28a. Lease Liabilities-

Group

	Building	Building
Cost	2020	2019
	₦'000	₦'000
At 1 January 2020	1,078,294	928,088
Accretion of interest	188,495	182,633
Interest payment	(4,303)	(6,486)
Principal payment	(17,211)	(25,941)
As at 31 December 2020	1,245,275	1,078,294

28a. Lease Liabilities- Continued

	₦'000	₦'000
Current	53,195	161,780
Non-current	1,192,080	916,514
	1,245,275	1,078,294

Company	Building	Building
Cost	2020	2019
	₦'000	₦'000
At 1 January	1,075,614	919,438
Accretion of interest	176,768	182,203
Interest payment	(1,420)	(5,726)
Principal payment	(4,846)	(20,301)
As at 31 December	1,246,116	1,075,614
	₦'000	₦'000
Current	51,402	160,076
Non-current	1,194,714	915,538
	1,246,116	1,075,614

The following are the amounts recognized in the profit or loss:

	2020 Group	2020 Company
	₦'000	₦'000
Depreciation expense of right-of-use assets	76,270	68,021
Short term leases	7,545	7,545
Interest expense on lease liabilities	188,495	176,768
Total Amount recognized in the profit or loss	252,334	252,334

	2019 Group	2019 Company
	₦'000	₦'000
Depreciation expense of right-of-use assets	71,827	68,021
Short term leases	420,219	419,536
Interest expense on lease liabilities	182,633	182,203
Total Amount recognized in the profit or loss	674,679	669,860

29. Trade and other payables

Trade and other payables comprise:

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Trade payables	1,975,455	1,920,509	1,875,798	1,815,757
Other payables (Note 29.1)	2,436,711	2,980,768	2,349,312	2,846,576
	4,412,166	4,901,277	4,225,110	4,662,333

The group maintains a 60 days credit period with all vendors.

29.1 Other payables

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Bond accrued interest	-	630	-	630
VAT payable	265,490	238,345	191,528	142,754
WHT Payable	69,366	66,318	66,454	63,506
Amount due to government agencies	365,860	142,643	357,609	142,023
Concession fee: FAAN rental & service charge	342,336	665,347	342,336	665,347
Directors' retirement	135,000	82,500	135,000	82,500
Industrial training fund	202,035	176,691	202,035	175,661
Staff participatory scheme	26,728	132,619	26,728	126,943
Performance bonus	200,283	321,751	200,283	312,474
Unclaimed dividend (29.1.1)	625,567	556,519	625,567	556,519
Other accruals*	204,046	597,405	201,772	578,219
	2,436,711	2,980,768	2,349,312	2,846,576

* Other accruals include; Accrued charges, insurance claim payable, Provision for year-end gift, Provision for Legal fees, deposit for services, agent welfare fees etc.

29.1.1 Unclaimed dividend

Unclaimed dividend amounting to ₦625.57million (2019: ₦556.52 million) represents the funds returned to the Group by the Registrars. This amount has been invested by the Group.

30. Deferred income

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	70,157	103,544	26,057	24,394
Rent received during the year	166,146	126,468	138,149	105,691
Amount released to the profit or loss	(179,245)	(159,855)	(143,148)	(156,142)
At 31 December	57,058	70,157	21,058	26,057

The above represents majorly, rent received in advance from investment properties and warehouses

31. Allowance for expected credit losses expenses

The aging of trade receivables at the reporting date was:

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
Current (1- 30 days)	459,888	843,065	456,828	839,230
31-90 days	342,674	156,530	191,648	42,827
91-180 days	97,696	171,792	82,169	133,678
More than 180 days	1,240,887	1,121,485	1,215,670	1,102,448
	2,141,145	2,292,872	1,946,315	2,118,183
Expected credit losses(Note32)	(844,902)	(793,384)	(825,797)	(782,619)
	1,296,243	1,499,488	1,120,518	1,335,564

31. Allowance for expected credit losses expenses- Continued

The movement in the allowance for expected credit losses in respect of trade receivables during the year was as follows:

	Group		Company	
	Dec-20	Dec-19	Dec-20	Dec-19
	₦'000	₦'000	₦'000	₦'000
At 1 January	793,384	1,123,661	782,619	1,117,346
Credit loss (write-back)	-	(334,839)	-	(334,727)
Credit loss expenses	51,518	4,562	43,178	-
At 31 December	844,902	793,384	825,797	782,619

The expected credit losses on trade receivables were in respect of receivables for which the Group has determined that there are objective indicators of impairment. Impairment losses have been recognized based on the difference between the carrying amounts and the present value of the estimated future cash flows on these receivables. The Group holds no collateral in respect of its trade receivables. Expected credit losses on trade receivables is recognized in Statement of profit or loss and other comprehensive income.

32. Financial Risk Management objectives and policies

Overview
The Group's principal financial liabilities comprise loans and borrowings, bonds and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, investments and cash and bank balances.

The Group has exposure to the following risks from its use of financial instruments:
· Credit Risk
· Liquidity Risk
· Market Risk

The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks.

This note presents information about the Group’s exposure to each of the above risks, the Group’s objectives, policies and processes for measuring and managing risk.

Further quantitative disclosures are included throughout these financial statements.

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The sources of the Group's credit risk include trade receivables, intercompany receivables and deposits with banks and financial institutions and investments in debt instrument.

Trade receivables
Customer credit risk is managed by credit managers and management as a whole subject to the Group’s established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any deliveries to major customers are generally covered by valid customer order. Customer backgrounds are studied to avoid concentration risk.

32. Financial Risk Management objectives and policies – Continued

Deposits with banks and other financial institutions
Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis throughout the year, subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position is it's carrying amount.

Trade receivables

For trade receivables, the Group applied the simplified approach in computing ECL. Therefore, the Group 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. 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.

When trade receivables are uncollectible, it is written off as 'administrative expenses' in the profit or loss. Subsequent recoveries of amounts previously written off are included in other operating income.

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2020 using a provision matrix:

32. Financial Risk Management objectives and policies – Continued

The Group
31 December 2020

	Trade receivables Days past due							
	Current	1 - 30 days	31 – 90 days	91-120 days	121 - 180 days	181-360 days	After360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	0.82%	1.21%	4.18%	4.84%	9.7%%	13.28%	68.33%	
Estimated total gross carrying amount at default	530,291	68,800	83,815	77,870	96,865	98,075	1,185,429	2,141,145
Expected credit losses	4,370	832	3,503	3,769	9,396	13,024	810,008	844,902

The Company
31 December 2020

	Current	1 - 30 days	31 – 90 days	91-120 days	121 - 180 days	181-360 days	After360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	0.95%	1.02%	1.39%	4.85%	4.85%	13.28%	71%	
Estimated total gross carrying amount at default	456,828	45,734	60,041	77,670	72,169	98,075	1,135,798	1,946,315
Expected credit loss	4,370	469	835	3,773	3,505	13,030	799,815	825,797

32. Financial Risk Management objectives and policies – Continued

The Group
31 December 2019

	Trade receivables Days past due							
	Current	1 - 30 days	31 – 90 days	91-120 days	121 – 180 days	181-360 days	After 360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	0.87%	1.91%	3.02%	11.41%	21.33%	30.90%	75.23%	-
Estimated total gross carrying amount at default	574,561	268,504	156,530	71,817	99,975	213,654	907,831	2,292,872
Expected credit loss	4,999	5,136	4,734	8,196	21,328	66,012	682,979	793,384

The Company
31 December 2019

	Current	1 - 30 days	31 – 90 days	91-120 days	121 – 180 days	181-360 days	After 360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	0.87%	1.92%	8.01%	184.01%	25.81%	32.24%	75%	-
Estimated total gross carrying amount at default	574,561	264,669	42,827	51,950	81,728	201,367	901,081	2,118,183
Expected credit loss	4,999	5,086	3,430	7,278	21,094	64,921	675,811	782,619

32. Financial Risk Management objectives and policies – Continued

Expected credit loss measurement - other financial assets

The Group applied the general approach in computing expected credit losses (ECL) for intercompany receivables (non-trade), and cash and bank balances. The Group 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 Group 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 Probability of default, Loss given Default (LGD) and Exposure at default (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. 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 Group 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 Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The reconciliation of these balances are as stated above."

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2d Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group 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 Group's ECL models including determining the weights attributable to the multiple scenarios. The Group used GDP growth, oil price and inflation as key drivers in computing expected credit loss and also as assumptions for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2020.

32. Financial Risk Management objectives and policies – Continued

An analysis of ECL allowances is as follows:

	Group 2020			Company 2020			
	Short-term deposits	Treasury bills	Total	Intercompany receivables	Short term deposits	Treasury bills	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Upside (10%)	24	240	264	1,584	20	240	1,844
Base (80%)	193	1,919	2,112	12,674	163	1,919	14,756
Downside (10%)	24	240	264	1,584	20	240	1,844
	241	2,399	2,640	15,842	203	2,399	18,444

Allowances for credit losses of financial assets	Group		Company	
Internal grading system	Stage 1 individual	2020 Total	Stage1 individual	2020 Total
Treasury bills	₦'000	₦'000	₦'000	₦'000
Gross carrying amount as at 1 January	187,362	187,362	187,362	187,362
New assets originated or purchased Note 22b)	487,431	487,431	487,431	487,431
Assets derecognised or repaid (excluding write offs) (Note 22b)	(187,362)	(187,362)	(187,362)	(187,362)
Gross carrying amount as at 31 December	487,431	487,431	487,431	487,431

Expected credit losses of financial assets	Group		Company	
	Stage 1	2020	Stage1	2020
Internal grading system	individual	Total	individual	Total
Impairment allowance for treasury bills	₦'000	₦'000	₦'000	₦'000
ECL allowance as at 1 January	194	194	194	194
New assets originated or purchased (Note 22b)	2,399	2,399	2,399	2,399
Assets derecognised or repaid (excluding write offs) (Note 22b)	(194)	(194)	(194)	(194)
ECL allowance as at 31 December	2,399	2,399	2,399	2,399

Intercompany receivables	The Company	
	2020	2020
Internal grading system		Stage 1
	individual	Total
	₦'000	₦'000
Gross carrying amount at 1 January	630,621	630,621
New assets originated or purchased (Note 21)	1,544	1,544
Assets derecognised or repaid (excluding write offs)	(2,659)	(2,659)
Gross carrying amount at 31December	629,506	629,506
Expected credit losses for intercompany receivables		
ECL allowance at 1 January	47,863	47,863
New assets originated or purchased (Note 21a)	-	-
Assets derecognised or repaid (excluding write offs)	(32,021)	-(32,021)
ECL allowance at 31 December	15,842	15,842

32. Financial Risk Management objectives and policies – Continued

Short term deposits

Internal grading system

	The Group 2020		The Company 2020	
	Stage 1 individual	Total	Stage 1 individual	Total
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount at 1 January	1,103,209	1,103,209	1,088,210	1,088,210
New assets originated or purchased (Note 22)	369,119	369,119	308,649	308,649
Assets derecognised or repaid (excluding write offs)	(1,103,209)	(1,103,209)	(1,088,210)	(1,088,210)
Gross carrying amount at 31December	369,119	369,119	308,649	308,649

Expected credit losses allowance for short term deposits

	The Group		The Company	
	Individual 2020	Total 2020	Individual 2020	Total 2020
	₦'000	₦'000	₦'000	₦'000
ECL allowance at 1 January 2020	16,059	16,059	15,449	15,449
New assets originated or purchased (Note 22a)	241	241	203	203
Assets derecognised or repaid (excluding write offs)	(16,059)	(16,059)	(15,449)	(15,449)
ECL allowance at 31 December	241	241	203	203

31 December 2019	Group 2019				Company 2019		
	Short term deposit	Treasury bills	Total	Intercompany receivables	Short term deposit	Treasury bills	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Upside (10%)	1,606	19	1,625	4,786	1,545	19	6,350
Base (80%)	12,847	156	13,003	38,291	12,359	156	50,806
Downside (10%)	1,606	19	1,625	4,786	1,545	19	6,350
	16,059	194	16,253	47,863	15,449	194	63,506

32. Financial Risk Management objectives and policies – Continued

Expected credit losses on treasury bills	The Group 2019		The Company 2019	
Internal grading system	Stage 1 individual	Total	Stage 1 individual	Total
Treasury bills	₦'000	₦'000	₦'000	₦'000
Gross carrying amount at 1 January	124,191	124,191	124,191	124,191
New assets originated or purchased (Note 22b)	187,362	187,362	187,362	187,362
Assets derecognised or repaid (excluding write offs)	(124,191)	(124,191)	(124,191)	(124,191)
	187,362	187,362	187,362	187,362

Expected credit losses for treasury bills	2019 Stage 1 Individual	Total	2019 Stage 1 Individual	Total
	₦'000	₦'000	₦'000	₦'000
ECL allowance at 1 January	1,801	1,801	1,801	1,801
New assets originated or purchased (Note 22c)	194	194	194	194
Assets derecognised or repaid (excluding write offs)	(1,801)	(1,801)	(1,801)	(1,801)
ECL allowance as at 31 December	194	194	194	194

32. Financial Risk Management objectives and policies – Continued

Intercompany receivables

	Company 2019 Stage 1 individual ₦'000	Company 2019 Total ₦'000
Internal grading system-		
Gross carrying amount at 1 January	461,836	461,836
New assets originated or purchased (Note 21)	168,785	168,785
Assets derecognised or repaid (excluding write offs)	-	-
Gross carrying amount at 31 December	630,621	630,621

Expected credit losses on intercompany receivables

	Company 2019 Stage 1 individual ₦'000	Company 2019 Total ₦'000
ECL allowance at 1 January	7,466	7,466
New assets originated or purchased (Note 21a)	40,397	40,397
Assets derecognised or repaid (excluding write offs)	-	-
ECL allowance at 31 December	47,863	47,863

32. Financial Risk Management objectives and policies – Continued

Short term deposits

Internal grading system

	Group 2019		Company 2019	
	Stage 1 individual	Total	Stage 1 individual	Total
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount at 1 January	1,449,285	1,449,285	1,438,885	1,438,885
New assets originated or purchased (Note 22)	1,103,209	1,103,209	1,088,210	1,088,210
Assets derecognised or repaid (excluding write offs)	(1,449,285)	(1,449,285)	(1,438,885)	(1,438,885)
Gross carrying amount at 31 December	1,103,209	1,103,209	1,088,210	1,088,210

Expected credit losses on short term deposit

	Group 2019		Company 2019	
	Stage 1 individual	Total	Stage 1 individual	Total
	₦'000	₦'000	₦'000	₦'000
ECL allowance at 1 January	7,848	7,848	7,846	7,846
New assets originated or purchased	16,059	16,059	15,449	15,449
Assets derecognised or repaid (excluding write offs)	(7,848)	(7,848)	-(7,846)	(7,846)
ECL allowance at 31 December	16,059	16,059	15,449	15,449

32. Financial Risk Management objectives and policies – Continued

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities as at when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments

Group

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2020						
Trade and other payables*	-	-	4,077,310	-	-	4,077,310
Loans and borrowings	-	-	-	-	-	-
Lease Liability			104,264	1,004,456	2,032,021	3,140,741
	-	-	4,181,574	1,004,456	2,0,32,021	7,218,051

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2019						
Trade and other payables*	-	-	4,596,614	-	-	4,596,614
Loans and borrowings	-	-	440,078	-	-	440,078
Lease Liability			223,828	982,005	2,720,174	2,926,007
	-	-	5,260,520	982,005	2,720,174	8,962,699

*Withholding tax and VAT payables are not financial instrument. Hence they have been excluded from trade and other payables.

32. Financial Risk Management objectives and policies – Continued

Company

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2020						
Trade and other payables*	-	-	3,967,128	-	-	3,967,128
Loans and borrowings	-	-	-	-	-	-
Lease Liability			273,238	1,113,943	2,474,153	3,861,334
	-	-	4,240,366	1,113,943	2,615,034	7,828,462

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2019						
Trade and other payables*	-	-	4,456,073	-	-	4,456,073
Loans and borrowings	-	-	440,078	-	-	440,078
Lease Liability			205,428	920,894	2,615,034	3,741,356
	-	-	5,101,579	920,894	2,615,034	8,637,507

*Withholding tax and VAT payables are not financial instrument. Hence they have been excluded from trade and other payables.

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. The Group is exposed to currency risk and insignificant interest rate risk. Financial instruments affected by currency risk include cash and short-term deposit, trade and other receivables and trade and other payables.

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency). Management has set up a policy requiring the Group to manage its foreign currency risk against its functional currency. To manage its foreign currency risk arising from future commercial transaction and recognised asset and liabilities, the Group ensures that significant transaction is contracted in the functional currency.

Interest 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 Group is not exposed to this risk as it does not have a floating interest-bearing loan and borrowing in its books

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro and GBP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

32. Financial Risk Management objectives and policies – Continued

Foreign currency sensitivity- continued

	Foreign currency Balances ₦'000	Change in USD rate	Effect on profit before tax ₦'000
2020	890	5%	5
		-5%	(5)
2019	1,925	5%	9
		-5%	(9)

		Change in EURO rate	Effect on profit before tax ₦'000
2020	1	5%	-
		-5%	-
2019	1	5%	-
		-5%	-

		Change in POUNDS rate	Effect on profit before tax ₦'000
2020	0.27	5%	-
		-5%	-
2019	0.27	5%	-
		-5%	-

Transactions in foreign currencies other than US Dollars were not significant in the current year.

The table below show financial instruments by their measurement bases:
Group

	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2020			
Cash and cash equivalents (Note 22)	835,529	-	835,529
Trade and other receivables (Note 20)*	1,687,669	-	1,687,669
Debt instruments at amortized costs (Note 22b)	485,032	-	485,032
Total financial assets	3,008,230	-	3,008,230
Trade & other payables (Note 29)*	4,077,310	-	4,077,310
Loans and borrowings (Note 28)	-	-	-
Lease liability (Note 28a)	1,245,275	-	1,245,275
Total financial liabilities	5,322,585	-	5,322,585

32. Financial Risk Management objectives and policies – Continued

The table below show financial instruments by their measurement bases - continued:

Group	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2019			
Cash and cash equivalents (Note 22)	1,563,222	-	1,563,222
Trade and other receivables (Note 20)*	1,852,927	-	1,852,927
Debt instruments at amortized costs (Note 22b)	187,168	-	187,168
Total financial assets	3,603,317		3,603,317
Trade & other payables (Note 29)*	4,596,614	-	4,596,614
Loans and borrowings (Note 28)	440,078	-	440,078
Lease Liability	1,078,294	-	1,078,294
Total financial liabilities	6,114,986	-	6,114,986

Company	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2020			
Cash and cash equivalents (Note 22)	735,318	-	735,318
Debt instrument at amortized cost (Note 22b)	485,032		485,032
Trade and other receivables (Note 20)*	1,502,862	-	1,502,862
Intercompany receivables (Note 21)	613,664	-	613,664
Total financial assets	3,336,876	-	3,336,876
Trade & Other payables (Note 29)*	3,967,128	-	3,967,128
Loans and borrowings (Note 28)	-	-	-
Lease liability (Note 28a)	1,246,116		1,246,116
Total financial liabilities	5,213,244	-	5,213,244

Company	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2019			
Cash and cash equivalents (Note 22)	1,475,619	-	1,475,619
Debt instrument at amortized cost (Note 22b)	187,168		187,168
Trade and other receivables (Note 20)*	1,675,511	-	1,675,511
Intercompany receivables (Note 21)	582,758	-	582,758
Total financial assets	4,328,187		4,328,187
Trade & Other payables*	4,456,073	-	4,456,073
Loans and borrowings (Note 28)	440,078		440,078
Lease liabilities	1,075,614	-	1,075,614
Total financial liabilities	5,971,765	-	5,971,765

32. Financial Risk Management objectives and policies – Continued
The table below show financial instruments by their measurement bases - continued

*Withholding tax/VAT receivables and payables are not financial instrument. Hence they have been excluded from trade and other receivables and trade and other payables

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 40% and 50%. The Group includes within net debt, trade and other payables, loans and borrowings less cash and cash equivalents.

	Group		Company	
	Dec 2020	Dec 2019	Dec 2020	Dec 2019
	₦'000	₦'000	₦'000	₦'000
Trade and other payables (Note 29)	4,412,166	4,901,277	4,225,110	4,662,333
Loans and borrowings (Note 28)	-	440,078	-	440,078
Less cash and bank balance (Note 22)	(835,529)	(1,563,222)	(735,318)	(1,475,619)
Net debt	3,576,637	3,778,133	3,489,792	3,626,792
Equity	6,449,849	6,634,984	6,599,415	6,794,859
Capital and net debt	10,026,486	10,413,117	10,089,207	10,421,651
Gearing ratio (%)	36%	36%	35%	35%

33. Capital management - Continued

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets short term obligations to creditors and related parties providing funding support.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 31 December 2019.

34. Fair value measurement of financial assets and liabilities

The management assessed that cash and cash equivalents, trade and other receivables, trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Set out below is a comparison by class of the carrying amounts and fair values of the Group's financial instruments that are carried in the financial statements.

Group & Company

	Carrying Amount		Fair value	
	Dec 20	Dec 19	Dec 20	Dec 19
	₦'000	₦'000	₦'000	₦'000
Financial liabilities:				
Interest bearing loans and borrowings	-	440,078	-	377,103
Total	-	440,078	-	377,103
Financial assets:				
Investment property	133,310	136,914	665,000	660,000
Total	133,310	136,914	665,000	660,000

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

- Interest bearing loans and borrowings are evaluated by the Group based on parameters such as interest rates that reflects market risk characteristics at the measurement date. The fair value of the loans and borrowing are determined based on the market related rate at the reporting date.

34. Fair value measurement of financial assets and liabilities - continued

- Investment properties are evaluated using the DCF method, using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a real property interest. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment, or refurbishment. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is typically estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance cost, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:
Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data
As at 31 December 2019 and 31 December 2018, the Group's financial instruments carried on the statement of financial position are measured at amortised cost as such, level 3 has been used for their fair value determination.

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2019:

	31-Dec-20	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000
Asset for which fair value are disclosed (Note 13):				
Investment property	665,000	-	-	665,000

There have been no transfers between Level 1 and Level 2, and Level 2 and Level 3 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2019:

	31-Dec-19	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000
Liability for which fair value are disclosed (Note 28):				
Interest bearing loans and borrowings	377,103	-	377,103	-
Asset for which fair value are disclosed (Note 13):				
Investment property	660,000	-	-	660,000

There have been no transfers between Level 1 and Level 2, and Level 2 and Level 3 during the year.

35. Revenue

An analysis of the entity's revenue is as follows:

	2020 ₦'000	2019 ₦'000
Ground Handling	2,560,313	5,351,383
Cargo Handling	3,841,715	3,957,625
Others	724,093	687,137
	7,126,121	9,996,145

35a. Segment reporting

Products and services from which reportable segments derive their revenues
Information reported for the purposes of resource allocation and assessment of segment performance is based on the products delivered or service rendered to customers.

The company has presented the reconciliation of segment profits in previous year and continues to disclose the same in this year's financial statement as the reconciliation is reported to the Chief Operating Officer for the purpose of decision making.

In addition, two minor operating segments, for which the quantitative thresholds for separate disclosures have not been met, are currently combined below under 'other'.

The entity's reportable segments under IFRS 8 are therefore as follows:

Ground Handling - engaged in ramp services, passenger profiling, baggage handling and crew transportation.

Cargo Handling-: involved in cargo documentation services for airlines, import and export facilitation through customs bonded warehouses across the network.

Other - The main sources of revenue for these operating segments are equipment rentals and lease rentals.

35b. Segment revenue and results

Segment revenue	Revenue ₦'000	Cost of sales ₦'000	Profit ₦'000
31 December 2020			
Ground Handling	2,914,008	(2,508,300)	405,708
Cargo Handling	3,841,715	(2,170,644)	1,671,071
Others	370,398	(144,709)	225,689
	7,126,121	(4,823,653)	2,302,468
31 December 2019			
Ground Handling	5,351,383	(3,415,433)	1,935,950
Cargo Handling	3,957,625	(2,947,979)	1,009,646
Others	687,137	(200,458)	486,679
	9,996,145	(6,563,870)	3,432,275

35. Revenue-continued

35c. Segment profit or loss represents the gross profit or loss earned/ incurred by each segment without allocation of distribution and administrative expenses, other gains/ losses, investment income as well as finance costs. This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

There was no intersegment transaction as all revenue generated above was from external customers.

35d. Segment assets and liabilities
The company does not report its assets and liabilities on a segmental basis and the reported segments are not assessed by the Chief Operating Decision Maker on this basis.

36. Information relating to employees
The average number of persons employed by the company during the financial year was as follows;

	2020 Numbers	2019 Numbers
Operations	1,374	1,420
Administration	134	188
	1,508	1,608

Employees of the Company, other than directors, whose duties were wholly or mainly discharged in Nigeria, received remuneration in the following ranges;

Naira	2020 Numbers	2019 Numbers
Less than1,000,000	76	82
1,000,001-1,500,000	684	723
1,500,001-2,500,000	610	654
2,500,001-3,500,000	107	116
3,500,001-6,000,000	10	14
6,000,001-8,500,000	14	12
Above 8,500,000	7	7
	1,508	1,608

Directors mix	2020 Numbers	2019 Numbers
Executive	3	3
Non-Executive	8	8
	11	11

	₦'000	₦'000
Highest paid Director	75,000	75,000

37. Contingent liabilities

There are pending lawsuits for and against the Company in various courts of law. The law suits are being handled by external legal counsel. The contingent liabilities in respect of pending litigations and claims amounted to ₦135million (2019: ₦135million) No provision has been made in the financial statements for the claims. In the opinion of the Directors and based on legal advice, the Group's liability is not likely to be significant.

38. Capital commitments
The group did not have any capital commitments as at 31 December 2020.(2019:Nil)

39. Events after the reporting date

No event or transactions have occurred since the end of the reporting date, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or results of operations.

NIGERIAN AVIATION HANDLING COMPANY PLC

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Group 2020 ₦'000		Group 2019 ₦'000		Company 2020 ₦'000		Company 2019 ₦'000	
Revenue	7,126,121		9,996,145		6,779,005		9,570,197	
Other income	581,267		245,032		531,545		237,866	
Finance income	86,653		173,076		86,653		167,878	
	7,794,041		10,414,253		7,397,203		9,975,941	
Bought in materials & services	(1,789,772)		(3,141,135)		(1,580,503)		(3,124,543)	
	6,004,269		7,315,722		5,816,700		6,851,398	
Applied as follows:								
To pay employees and directors		%		%		%		%
Salaries, wages, pensions and related costs	3,952,697	66	4,341,240	59	3,846,109	66	4,316,788	63
To providers of capital:								
Finance cost	203,464	3	300,319	4	191,737	3	299,889	4
Dividend	487,266	8	406,055	6	487,266	8	406,055	6
Government:								
Income tax expenses	329,522	6	263,175	4	306,981	6	243,991	4
Asset replacement:								
Depreciation and amortization	999,563	17	927,605	12	961,946	17	788,552	12
Deferred taxation-	(270,374)	(5)	360,129	5	(269,161)	(5)	359,755	5
Retained profit	302,131	5	717,199	10	291,822	5	436,368	6
	6,004,269	100	7,315,722	100	5,816,700	100	6,851,398	100

The value added represents the wealth created through the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth created amongst employees, government and that retained for future creation of wealth

NIGERIAN AVIATION HANDLING COMPANY PLC

FIVE-YEAR FINANCIAL SUMMARY

GROUP	2020	2019	2018	2017	2016
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of Profit or Loss					
Revenue	7,126,121	9,996,145	9,775,515	7,926,152	7,956,977
Profit before tax	361,279	1,340,503	503,237	600,011	909,624
Income tax	(59,148)	(623,304)	(306,443)	175,756	(328,906)
Profit after tax	302,131	717,199	196,794	775,767	580,718
Statement of Financial Position					
Non-current assets					
Non-current assets	8,308,382	7,821,663	6,454,876	6,868,053	6,796,657
Current assets	5,444,052	6,887,838	5,890,994	5,394,018	5,837,928
Total assets	13,752,434	14,709,501	12,345,870	12,262,071	12,634,585
Non-current liabilities	1,997,496	1,992,304	1,155,249	1,619,017	2,192,507
Current liabilities	5,305,089	6,082,213	4,866,781	3,872,281	4,089,704
Total liabilities	7,302,585	8,074,517	6,022,030	5,491,298	6,283,251
Financed by:					
Share capital	812,109	812,109	812,109	812,109	812,109
Share Premium	1,914,758	1,914,758	1,914,758	1,914,758	1,914,758
Dividend reserve	-	-	-	-	-
Retained earnings & NCI	3,722,982	3,908,117	3,596,973	4,043,906	3,624,467
Total equity	6,449,849	6,634,984	6,323,840	6,770,773	6,351,334
Total equity and liabilities	13,752,434	14,709,501	12,345,870	12,262,071	12,634,585

NIGERIAN AVIATION HANDLING COMPANY PLC

FIVE-YEAR FINANCIAL SUMMARY

COMPANY	2020	2019	2018	2017	2016
	₦'000	₦'000	₦'000	₦'000	₦'000
Statement of Profit or Loss					
Revenue	6,779,005	9,570,197	9,109,644	7,565,763	7,797,899
Profit before tax	329,642	1,040,114	299,754	509,563	911,575
Income tax	(37,820)	(603,746)	(290,048)	178,339	(328,906)
Profit after tax	291,822	436,368	9,706	687,902	582,669
Statement of Financial Position					
Non-current assets					
Non-current assets	8,100,982	7,572,265	6,857,111	6,730,372	7,269,534
Current assets	5,540,787	6,987,037	5,961,973	5,916,375	5,805,248
Total assets	13,641,769	14,559,302	12,819,084	12,646,747	13,074,782
Non-current liabilities	1,998,981	1,988,966	1,153,261	1,618,587	2,192,547
Current liabilities	5,043,373	5,775,477	4,901,277	3,631,958	3,816,607
Total liabilities	7,042,354	7,764,443	6,054,538	5,250,545	6,009,154
Financed by:					
Share capital	812,109	812,109	812,109	812,109	812,109
Share premium	1,914,758	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	3,872,548	4,067,991	4,037,679	4,669,335	4,338,761
Total equity	6,599,415	6,794,858	6,764,546	7,396,202	7,065,628
Total equity and liabilities	13,641,769	14,559,302	12,819,084	12,646,747	13,074,782