

**SKYWAY AVIATION HANDLING COMPANY PLC
(RC:813022)**

**UNAUDITED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
31 MARCH 2021**

SKYWAY AVIATION HANDLING COMPANY PLC

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SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION

REGISTERED NUMBER: RC:813022

TAX IDENTIFICATION NUMBER: 04683753-0001

DIRECTORS:

Barrister (Dr.) Taiwo Afolabi	Chairman
Barrister Chike Ogeah	Vice Chairman
Mr. Basil Agboarumi	Managing Director
Mr. Babatunde Afolabi	Executive Director
Mr. Olaniyi Adigun	Executive Director
Mrs. Boma Ukwunna	Executive Director
Mr. Olutoye Ariyo	Non Executive Director
Dr. Oluropo Owolabi	Non Executive Director
Barrister Oladipo Kayode Filani	Non Executive Director
Captain Shehu Iyal	Non Executive Director
Mr. Anogwi Anyanwu	Independent Director

PRINCIPAL OFFICERS:

Basil Agboarumi	Managing Director/CEO
Olaniyi Adigun	Executive Director -Sales and Marketing
Boma Ukwunna	Executive Director - Cargo Services
Babatunde Afolabi	Executive Director IT and Business Development
James Oriowo	AGM- Engineering and Maintenance
Olugbenga Okeowo	AGM- Operations
Olajide Kafidipe	AGM- Cargo Services
Hamzat Bola Olaniyan	AGM- Billing
Yinka Afolabi Ogungbemi	AGM- Admin Services an Project
Omolara Bello	AGM- Legal/ Company Secretary
Taiwo Olayemi Mogaji	AGM- Internal Audit
Rotimi Omotoso	Chief Finance Officer
Folorunso Elegbede	AGM - Human Resources
Christie Oseghale	AGM -Safety and Quality Assurance
Adebowale Okunlola	Head -Security
Ayodele Taoheed Sanusi	Head -Procurement

**REGISTERED OFFICE/
OPERATIONAL OFFICE ADDRESS:** 54 Warehouse Road, Apapa, Lagos
Skyway Aviation Handling Company Plc. Complex,
Cargo Terminal,
Murtala Muhammed International Airport,
Ikeja,
Lagos.

COMPANY SECRETARY: Omolara Bello
Skyway Aviation Handling Company Plc. Complex,
Cargo Terminal,
Murtala Muhammed International Airport,
Ikeja,
Lagos State..

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION (CONT'D)

PRINCIPAL BANKERS:

Access Bank Plc.
Eco bank Nigeria Limited
Fidelity Bank Plc.
First Bank of Nigeria Limited
First City Monument Bank Plc.
Guaranty Trust Bank Plc.
Keystone Bank Limited.
Polaris Bank Ltd
Stanbic IBTC Bank Plc.
Sterling Bank Plc.
Union Bank of Nigeria Plc.
United Bank for Africa Plc.
Zenith Bank Plc.

SOLICITORS

Sceptre Law
2c Idowu Olaitan Street,
Gbagada Expressway,
Gbagada Phase II,
Lagos.

H.A. Olaniyan and Co.
2nd Floor Rear Block,
208 Ikorodu Road,
Palmgrove,
Lagos.

REGISTRARS:

First Registrars and Investors Services Limited
2 Abebe Village Road, Iganmu
Postal 12242
Lagos State.

SKYWAY AVIATION HANDLING COMPANY PLC

DIRECTORS' CERTIFICATION REPORT FOR THE THREE MONTHS ENDED 31 MARCH, 2021

We have reviewed the condensed financial statements of Skyway Aviation Handling Company Plc for the period ended 31 March, 2021

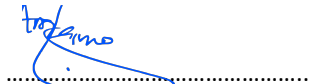
Based on our knowledge, these condensed financial statements do not;

- (a) Contain any untrue statement or a material fact or;
- (b) Omit to state material fact, which would make the statement misleading in the light of the circumstance under which such statements were made
- (c) The condensed financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for the periods presented in the condensed financial statements

The Directors are responsible for establishing and maintaining internal controls;

we have;

- i designed such internal controls to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared;
- ii continuously evaluated the effectiveness of the Company's internal controls on a quarterly basis;



Barr. (Dr.) Taiwo Afolabi
Chairman
FRC/2015/NBA/00000013106
Date: 30th April, 2021



Mr. Agboarumi Basil
Managing Director/CEO
FRC/2019/IODN/00000019784
Date: 30th April, 2021



Mr. Rotimi Omotoso
Chief Financial Officer
FRC/2016/ICAN/00000014593
Date: 30th April, 2021

SKYWAY AVIATION HANDLING COMPANY PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	NOTE	Unaudited 3 Months Ended 31 March 2021 N'000	Unaudited 3 Months Ended 31 March 2020 N'000	Audited Year Ended 31 Dec., 2020 N'000
Revenue	3	1,997,175	1,983,532	6,981,592
Direct cost	4	(1,163,565)	(1,138,938)	(3,952,899)
Gross profit		833,610	844,594	3,028,693
Other operating income	5	21,720	2,697	104,577
Administration expenses	6	(669,887)	(665,245)	(2,577,275)
Profit from operation		185,443	182,046	555,995
Finance Income	7	56	79	194,428
Finance expense	7	(15,836)	(7,286)	(183,758)
Operating profit/(loss) before taxation		169,663	174,839	566,665
Tax expense	27	(76,294)	(78,566)	(84,288)
Profit for the year		93,368	96,273	482,377
Other comprehensive income				
Item that will not be reclassified to profit or loss				
(Reversal)/recognition of actuarial loss on defined benefit obligation	20	-	-	(148,788)
Recognition of related tax on defined benefit obligation	27	-	-	63,949
Other comprehensive income for the year, net of tax		-	-	(84,839)
Total comprehensive income for the year		93,368	96,273	397,538
Earnings/(Loss) per share				
Basic earnings/(loss) - kobo	25	6.90	7.11	36
Diluted earnings/(loss) - kobo	25	6.90	7.11	36


The accompanying notes form an integral part of these condensed financial statements.


SKYWAY AVIATION HANDLING COMPANY PLC


CONDENSED STATEMENT OF FINANCIAL POSITION AS AT,

		Unaudited 31 March 2021 N'000	Unaudited 31 March 2020 N'000	Audited 31 Dec., 2020 N'000
NON-CURRENT ASSETS				
Property, plant and equipment	9	13,287,810	13,875,943	13,251,459
Investment properties	10	711,033	306,556	383,621
Intangible assets	11	4,065,590	4,058,515	4,065,906
Deferred tax assets	28	523,961	238,004	523,961
		<u>18,588,394</u>	<u>18,479,018</u>	<u>18,224,947</u>
CURRENT ASSETS				
Inventories	12	239,873	210,408	177,411
Trade and other receivables	13	2,596,489	2,657,902	3,008,415
Cash and cash equivalent	14	2,076,886	1,553,066	2,215,414
		<u>4,913,248</u>	<u>4,421,376</u>	<u>5,401,240</u>
TOTAL ASSETS		<u>23,501,642</u>	<u>22,900,394</u>	<u>23,626,187</u>
EQUITY				
Share capital	19	676,790	676,790	676,790
Share premium	24	4,784,010	4,784,010	4,784,010
Retained earnings	21	4,658,426	4,586,886	4,565,058
Actuarial valuation reserve	23	84,484	169,323	84,484
Revaluation reserve	22	9,088,895	9,088,895	9,088,895
		<u>19,292,605</u>	<u>19,305,904</u>	<u>19,199,237</u>
NON-CURRENT LIABILITIES				
Long term borrowings	16	-	-	270,890
Deferred income	26	94,745	20,247	28,875
Defined Benefit Obligations	20	1,418,232	1,093,053	1,374,699
		<u>1,512,977</u>	<u>1,113,300</u>	<u>1,674,464</u>
CURRENT LIABILITIES				
Trade payable and other payables	15	2,015,297	1,938,232	2,353,662
Short term borrowings	16	269,356	77,246	15,931
Deferred income	26	35,273	35,273	83,055
Current income tax liabilities	27	376,132	430,439	299,838
		<u>2,696,060</u>	<u>2,481,190</u>	<u>2,752,486</u>
TOTAL EQUITY AND LIABILITIES		<u>23,501,642</u>	<u>22,900,394</u>	<u>23,626,187</u>

The condensed financial statements were approved by the Board of Directors on30th April, 2021 and signed on its behalf by:


 Barr. (Dr.) Taiwo Afolabi, MON
 Chairman
 FRC/2015/NBA/00000013106


 Mr. Agboarumi Basil
 Managing Director/CEO
 FRC/2019/IODN/00000019784


 Mr. Rotimi Omoso
 Chief Financial Officer
 FRC/2016/ICAN/00000014593

The accompanying notes form an integral part of these condensed financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	SHARE CAPITAL N'000	SHARE PREMIUM N'000	RETAINED EARNINGS N'000	ACTUARIAL VALUATION RESERVE N'001	REVALUATION RESERVE N'000	TOTAL EQUITY N'000
Balance at 1 January 2020	676,790	4,784,010	4,306,022	169,323	9,088,895	19,025,040
Total Comprehensive Income for the year						
Profit for the year	-	-	482,377	-	-	482,377
Dividend Paid	-	-	(223,341)	-	-	(223,341)
Other comprehensive loss for the year	-	-	-	(84,839)	-	(84,839)
Total Comprehensive Income for the year	-	-	259,036	(84,839)	-	174,197
Transactions with owners recorded directly in equity						
Issue of Shares	-	-	-	-	-	-
Balance at 31 December 2020	676,790	4,784,010	4,565,058	84,484	9,088,895	19,199,237
Balance at 1 January 2020	676,790	4,784,010	4,490,612	169,323	9,088,895	19,209,630
Total Comprehensive Income for the year						
Profit for the period	-	-	96,273	-	-	96,273
Other comprehensive income for the period	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	96,273	-	-	96,273
Transactions with owners recorded directly in equity						
Issue of Shares	-	-	-	-	-	-
Balance at 31 March 2020	676,790	4,784,010	4,586,885	169,323	9,088,895	19,305,903
Balance at 1 January 2021	676,790	4,784,010	4,565,058	84,484	9,088,895	19,199,237
Total Comprehensive Income for the year						
Profit for the period	-	-	93,368	-	-	93,368
Other comprehensive income for the period	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	93,368	-	-	93,368
Transactions with owners recorded directly in equity						
Issue of Shares	-	-	-	-	-	-
Balance at 31 March 2021	676,790	4,784,010	4,658,426	84,484	9,088,895	19,292,605

The accompanying notes form an integral part of these condensed financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH, 2021

		Unaudited 3 Months Ended 31 March 2021	Unaudited 3 Months Ended 31 March 2020	Audited Year Ended 31 Dec., 2020
	NOTE	₦'000		₦'000
Cash flows from operating activities:				
Profit for the period		169,663	174,839	566,665
Adjustments for net income to net cash provided by operating activities				
Finance Expenses	7	7,720	6,382	183,758
Allowance for impairment on Receivables		-	-	303,977
Provision for Employee benefit	20	43,534	42,761	79,117
Investment Property- Depreciation	10	3,092	2,993	12,206
Intangible Asset- Amortisation		316	56.17	247
Property Plant & Equipment-Depreciation	9	449,953	467,400	1,838,511
		674,277	694,431	2,984,482
Changes in working capital				
Increase in trade and other receivables		411,926	(84,161)	(738,650)
Decrease/(Increase) in inventories		(62,462)	19,159	52,155
(Decrease)/ increase in trade and other payables		(338,366)	(414,804)	(183,965)
Increase in deferred income		18,089	(5,837)	50,574
Cash generated from operations		703,465	208,789	2,164,597
Tax paid	27	-	(20,790)	(379,121)
Payment made by the employer on the Employee Benefit	20	-	-	(61,042)
Finance expenses paid		(7,720)	(6,382)	(26,214)
Net cash inflow from operating activities		695,745	181,617	1,698,220
Cash flows from investing activities				
Purchase of property, plant and equipment	9	(486,304)	(127,014)	(873,643)
Investment Properties	10	(330,504)	(17,800)	(104,079)
Purchase of Intangible asset	11	-	(220)	(7,802)
Net cash outflow used in investing activities		(816,808)	(145,035)	(985,524)
Financing Activities:				
Dividend		-	-	(223,341)
Loan Received		-	-	319,041
Repayment of borrowings	16	(17,465)	(75,346)	(184,813)
Net cash inflow used in financing activities		(17,465)	(75,346)	(89,112)
Net increase/ (decrease) in cash and cash equivalents		(138,528)	(38,764)	623,585
Cash and cash equivalents at the beginning		2,215,414	1,591,829	1,591,829
Cash and cash equivalents at 31 December	14	2,076,886	1,553,065	2,215,414

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH, 2021

1 General Information

The principal activities of the Company include provision of services including aircraft/ramp handling, cargo handling, passenger handling, premium lounge, aviation security and baggage reconciliation.

On 3rd of December 2009, SIFAX Shipping Limited and Global Apex Logistic Limited through Skyway Aviation Handling Company Limited acquired 100% interest of the Federal Government in Skypower Aviation Handling Company Limited due to the privatisation of the company.

In 2018, SAHCOL undertook a business combination with Skypower wherein both companies were consolidated with SAHCOL as the surviving entity.

Skyway Aviation Handling Company Limited became a Public Limited Company on 5th October, 2018.

The Corporate Headquarters is located at Skyway Aviation Handling Company Plc. Complex, Cargo Terminal, Murtala Muhammed International Airport, Ikeja, Lagos State, Nigeria.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these condensed financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Statement of Compliance

The condensed financial statements for the period ended 31 March 2021 have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS") and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

Skyway Aviation Handling Company Limited has consistently applied the same accounting policies and methods of computation in its financial statements as in its 2020 financial statements.

None of the new standards, interpretations and amendments, effective for the first time from 1st January 2021, have had a material effect on the financial statements.

2.2 Basis of preparation

These condensed accounts do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2020 Financial Statements.

The financial statements have been prepared under the historical cost convention except for some financial assets and liabilities measured at fair value and amortised cost; inventory at net realisable value; and the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost.

2.3 Fair Value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

3

REVENUE

The Company generates revenue primarily from foreign and domestic handling, cargo handling and equipment rental. Other sources of revenue include rental income from investment properties.

	3 Months Ended 31 March 2021	3 Months Ended 31 March 2020
	₦'000	₦'000
Revenue from contract with Customers	1,984,930	1,968,043
Other revenue		
Investment Properties Rental Income	12,244	15,489
Total Revenue	<u>1,997,175</u>	<u>1,983,532</u>

3.1 Disaggregation of revenue from contracts with customers:

The revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition.

	3 Months Ended 31 March 2021	3 Months Ended 31 March 2020
	₦'000	₦'000
i. Major Service Lines		
Foreign Handling	303,670	380,207
Domestic Handling	153,733	177,089
Ad-hoc Handling	3,621	-
Cargo Handling Income	1,291,770	1,222,926
Cargo Handling -Export	143,303	101,483
VIP Lounge Service Income	635	3,295
Equipment Rental	73,688	49,688
Haulage/Crew Bus Services	10,061	10,597
DCS/PAX Handling Income	177	2
Airport Security Services	-	6,135
Christian Pilgrimage Handling	4,273	16,621
	<u>1,984,930</u>	<u>1,968,043</u>
Discount Allowed	-	-
	<u>1,984,930</u>	<u>1,968,043</u>
ii. Timing of revenue recognition		
Service transferred at a point in time	1,984,930	1,968,043
Service transferred over time	12,244	15,489
	<u>1,997,175</u>	<u>1,983,532</u>

3.2 Contract balances

The following provides information about receivables, contract assets and contract liabilities from contracts with customers.

	3 Months Ended 31 March 2021	3 Months Ended 31 March 2020
	₦'000	₦'000
Contract liabilities	130,019	55,520
	<u>130,019</u>	<u>55,520</u>

The contract liabilities primarily relate to the advance consideration received from tenants for rent of the investment properties, for which revenue is recognised upon usage by the tenants.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

3.3 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

3.4 Description of Major Sources of income:

Foreign and Domestic Handling: This include income from aircraft handling raised for Ramp Services, passenger profiling, security and baggage handling(Loading and offloading).

Cargo Handling: These includes income from Cargo documentation services rendered to airlines which include import and export cargo facilitation through Nigeria's biggest network of customer: bonded warehouses in Lagos, Kano, Abuja and Port-Harcourt, using Hermes computerisation syste which ensures safe storage and easy retrieval of cargos

Equipment rental and maintenance: The company leases it equipment to airlines for services that are not covered in the standard Ground Handling Agreement.

	3 Months Ended 31 March 2021	3 Months Ended 31 March 2020
	N'000	N'000
4		
DIRECT COST		
Cargo Shed/ Warehouse	93,316	72,160
Concession Fees	103,080	98,803
Oil and Lubricants	17,916	9,814
VIP Lounge	473	1,964
DCS/Check-In Counter Expenses	1,501	11,564
Baggage Logistics Expenses	114	2,261
Equipment Running	88,755	83,624
Equipment Repairs	85,592	103,991
RAMP	(1,465)	6,093
Hajj Operation	-	36,240
Christian Pilgrimage	-	1,436
Cargo Warehouse Incentives	2,135	3,000
Direct Labour Cost	422,191	337,104
Other Direct Costs	635	1,969
Miscellaneous Cost	6,113	9,282
	<u>820,356</u>	<u>779,306</u>
Depreciation	343,210	359,632
	<u>1,163,565</u>	<u>1,138,938</u>

Expenses by nature have been disclosed in the statement of comprehensive income as above. Costs directly relates to income generating activities are labeled as direct cost. Depreciation of assets used directly in generating revenue are classified as part of direct cost.

	3 Months Ended 31 March 2021	3 Months Ended 31 March 2020
	N'000	N'000
5		
OTHER INCOME		
Scraps	<u>21,720</u>	<u>2,697</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH, 2021

6	3 Months Ended	3 Months Ended
	31 March 2021	31 March 2020
	₦'000	₦'000
ADMINISTRATION EXPENSES		
Employee benefit expenses (Note 8)	299,866	247,047
Depreciation & amortisation	110,151	110,817
Printing and stationery	12,263	8,149
Transport and traveling	7,766	23,772
Vehicle running expenses	14,361	10,502
Telecommunication and courier	6,619	7,525
Staff training and development	23,567	9,426
Advertisement and publications	2,500	410
Public relations	2,700	5,600
Sales promotion	200	20,550
Subscription	895	1,784
Newspaper, periodical and magazine	189	279
Rent and electricity	53,517	28,700
Medical expenses	20,950	24,033
Insurance premium	14,421	12,333
Legal expenses	600	-
Audit fees	-	-
Repairs of office equipment	432	644
Repairs and maintenance of building	10,216	10,399
Entertainment	2,312	4,137
Gifts and donations	2,000	3,000
Hotel and accommodation	804	420
Repair of furniture and fittings	4,064	4,253
Computer support and accessories	8,533	9,656
Lighting and fitting expenses	3,892	2,942
Premises upkeep and cleaning	14,737	8,042
Special security expenses	4,468	6,134
Office running expenses	4,513	3,557
Board meeting expenses	5,150	16,362
Recruitment expenses	-	-
Staff welfare expenses	7,150	23,000
Professional and business fees	6,382	23,773
Directors expenses	3,000	3,000
Debt Written off	-	-
Bank charges	12,702	8,112
Government levies	1,315	1,817
Impairment Allowance on Receivables	-	-
Other expenses	7,652	25,068
	669,887	665,245

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	3 Months Ended 31 March 2021 ₦'000	3 Months Ended 31 March 2020 ₦'000
7		
FINANCE INCOME AND FINANCE COST		
Finance Income		
Interest Income	56	79
Interest on defined benefit obligation	-	-
	<u>56</u>	<u>79</u>
Finance Expense		
Interest on loan	7,720	6,382
Interest on defined benefit obligation	-	-
	<u>7,720</u>	<u>6,382</u>
Foreign exchange Loss/(Gain)	8,115	904
	<u>15,836</u>	<u>7,286</u>

8

EMPLOYEE BENEFIT EXPENSES

Salaries and wages	153,138	126,786
Pension fund contribution	9,413	7,556
Leave allowance	11,495	9,227
Gratuity and terminal benefits	67,831	54,761
Overtime	4,775	4,831
13th month salary	41,786	33,689
Other allowance	1,050	1,830
ITF contribution	5,396	4,344
NSITF Employee Compensation	4,981	4,023
	<u>299,866</u>	<u>247,047</u>

8.1

The Average number of employees per department:

	3 Months Ended 31 March 2021 Number	3 Months Ended 31 March 2020 Number
Operations	1,585	1,492
Administrations	45	45
	<u>1,537</u>	<u>1,537</u>

8.2

Employees remuneration Scale

RANGE

< 1000000	1,138	931
1000000-2000000	413	497
2000001-3000000	52	79
3000001-4000000	13	14
4000001-5000000	11	10
5000001-6000000	-	3
6000001-7000000	-	-
7000001-8000000	-	-
8000001-14000000	3	3
	<u>1630</u>	<u>1537</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

9

PROPERTY, PLANT AND EQUIPMENTS

	Leasehold Land N'000	Building N'000	Motor Vehicle and Trucks N'000	Plant and Machinery N'000	Furniture, Fixture and Fittings N'000	Computer Equipment N'000	Office Equipment N'000	Sundry Tools N'000	Total N'000
Cost:									
At 1 January 2020	40,950	4,680,167	218,940	11,857,542	567,575	72,743	223,228	41,681	17,702,825
Charge for the year	-	160,848	3,853	570,802	34,838	21,662	16,875	64,766	873,643
At 31 December 2020	40,950	4,841,014	222,793	12,428,344	602,413	94,405	240,102	106,447	18,576,468
Additions	-	11,450	87,000	373,508	11,471	2,595	280	-	486,304
At 31 March 2021	40,950	4,852,464	309,793	12,801,852	613,884	97,000	240,382	106,447	19,062,772
Accumulated Depreciation:									
At 1 January 2020	27,300	344,072	90,055	2,577,243	291,726	37,008	87,518	31,574	3,486,497
Charge for the year	2,730	180,147	55,826	1,410,575	123,641	14,746	43,975	6,871	1,838,511
At 31 December 2020	30,030	524,218	145,881	3,987,818	415,368	51,754	131,494	38,445	5,325,009
Charge for the period	-	44,535	11,903	343,210	31,687	2,935	10,893	4,790	449,953
At 31 March 2021	30,030	568,753	157,784	4,331,028	447,054	54,690	142,387	43,236	5,774,961
Carrying amount:									
At 31 March 2021	10,920	4,283,711	152,009	8,470,825	166,829	42,310	97,995	63,211	13,287,810
At 31 December 2020	10,920	4,316,796	76,912	8,440,526	187,045	42,650	108,609	68,002	13,251,459

Property, plant and equipment includes right-of-use assets of N12.8 Million related to leased hold land.

9.1 Revaluation

The Company's Property, Plant & Equipment were revalued on March 29, 2018 by Messrs. Ubosi Eleh & Company (FRC/2014/NIESV/00000003997) an accredited independent valuer who has valuation experience for similar offices using the Market Value Basis of valuation.

Leasehold Land is stated at cost and as such do not fall under any class of the revalued assets by the Independent Valuers

9.2 Assets pledged as security

Borrowings are secured by a debenture on fixed and floating assets of the company.

9.3 Depreciation charged during the period are included in:

	3 Months Ended 31 March 2021 N'000	3 Months Ended 31 March 2020 N'000
Cost of sales	343,210	359,632
Administrative expenses	106,743	107,768
	<u>449,953</u>	<u>467,400</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

10

INVESTMENT PROPERTIES

	Building
	₦'000
Cost	
At 1 January 2020	347,093
Additions	104,079
At 31 December 2020	451,172
Additions	330,504
At 31 March 2021	781,676
Accumulated Depreciation	
At 1 January 2020	55,345
Charge for the period	12,206
At 31 December 2020	67,551
Charge for the period	3,092
At 31 March 2021	70,643
Carrying amount	
At 31 March 2021	711,033
At 31 December 2020	383,621

The Investment properties are depreciated using the straight-line method. The rate of depreciation used is 3.5% based on the useful lives of the lease on the landed property.

a) Description of the Investment Properties

Investment properties include Skyway Aviation Handling Company Plc. corporate office and Skyway Aviation Handling Company Plc. Office Complex located at Murtala Mohammed Airport Lagos, Nigeria which were made available for rental during the period.

	31 March	31 March
	2021	2020
	₦'000	₦'000
b) Net amounts recognised in profit or loss for investment properties are as follows:		
Rental income	12,244	15,488
Direct operating expenses	(7,151)	(7,279)
Depreciation	(3,092)	(2,993)
	2,001	5,216

Depreciation has been included in Administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

c) Non-current assets pledged as security

Refer to note 9.2 for information on non-current assets pledged as security by the company.

d) Contractual obligations

The Company's lease agreement with FAAN on the Investment Property Lands places a restriction on the realization of the investment properties. The company has no contractual obligations to purchase the Land but can construct or develop investment properties or for repairs, maintenance and enhancements.

e) Leasing arrangements

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable annually. Minimum lease payments under non-cancellable operating leases of investment properties recognised in the financial statements as payables are as follows:

	Unaudited 3 Month Ended 31 March 2021 N'000	Audited Year Ended 31 Dec., 2020 N'000
Within one year	35,273	83,055
Later than one year but not later than 5 years	94,745	28,875
	130,019	111,931

11

INTANGIBLE ASSETS

	Website N'000	Software N'000	Goodwill N'000	Total N'000
Cost				
At 1 January 2020	1,050	-	4,057,388	4,058,438
Additions	-	7,802	-	7,802
At 31 December 2020	1,050	7,802	4,057,388	4,066,240
Addition	-	-	-	-
At 31 March 2021	1,050	7,802	4,057,388	4,066,240
Amortisation				
At 1 January 2020	88	-	-	88
Impairment Loss	-	-	-	-
Amortisation	210	37	-	247
At 31 December 2020	298	37	-	334
Amortisation	53	264	-	316
At 31 March 2021	350	300	-	650
Carrying amount				
At 31 March 2021	700	7,502	4,057,388	4,065,590
At 31 December 2020	753	7,765	4,057,388	4,065,906

a

Impairment test

There was no impairment loss on Goodwill during the period.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
12		
INVENTORIES		
Spares	235,532	172,152
Oil and lubricants	4,341	5,259
	239,873	177,411

None of the company's inventories were pledged as collateral for borrowings.

The company's inventories were also not written down during the period (2019 : Nil).

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
13		
TRADE AND OTHER RECEIVABLES		
Trade Receivables	2,116,502	2,418,274
Less: Allowance for Impairment (Note 13(a)(i))	(1,160,958)	(1,160,958)
	955,544	1,257,316
Due from related parties (Note 18.2)	472,047	470,692
Advance to Suppliers (Note 13(b))	716,520	993,137
Other Receivables (Note 13(c))	222,308	176,486
Staff Loan (Note 13(d))	77,405	77,320
Prepayments (Note 13(e))	152,665	33,463
	2,596,489	3,008,415

The company determines its recoverability of trade receivable after considering any changes in the credit quality of the trade receivables from the date credit is granted up to the end of the reporting period.

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
a) Allowance for impairment		
Balance at the beginning of the period	1,304,015	1,099,261
Bad Debts Written Off	-	(99,223)
Allowance for Impairment for the period	-	303,977
Balance at end of the period	1,304,016	1,304,015

i.) Allowance for impairment is further analysed below

Trade Receivables	1,160,958	1,160,958
Advance to Suppliers	92,057	92,057
Other Receivables	51,000	51,000
	1,304,017	1,304,017

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	Unaudited 3 Months Ended 31 March 2021 ₹'000	Audited Year ended 31 Dec., 2020 ₹'000
b) Advance to Suppliers		
Cash with Suppliers	808,578	1,085,195
Allowance for impairment of advance to suppliers (Note 13(a)(i))	(92,057)	(92,057)
	716,520	993,137
c) Other Receivables		
Staff Advance for Expenses	29,812	42,209
Withholding Tax Receivables	192,496	167,445
Loan to ABX World	51,000	51,000
Allowance for impairment of loan to ABX World (Note 17(a)(i))	(51,000)	(51,000)
	222,308	209,654

d) Staff Loan

Staff Loan are non-interest bearing. They are repayable within 12month.

e) Prepayments

Prepayments relate to rent prepaid on its offices complex all over the country and insurance prepaid on its Property, Plants and Equipment.

	Unaudited 3 Months Ended 31 March 2021 ₹'000	Audited Year ended 31 Dec., 2020 ₹'000
14		
CASH AND CASH EQUIVALENTS		
Cash	16,541	11,155
Bank	1,505,250	2,036,977
Short term deposits	555,095	167,282
	2,076,886	2,215,413

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

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Unaudited 3 Months Ended 31 March 2021 ₹'000	Audited Year ended 31 Dec., 2020 ₹'000
Cash	16,541	11,155
Bank	1,505,250	2,036,977
Short term deposits	555,095	167,282
	2,076,886	2,215,414
Bank Overdrafts	-	-
	2,076,886	2,215,414

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
15		
TRADE AND OTHER PAYABLES		
Trade Payables	441,590	901,761
Customers Deposits	-	277,263
Due to Related Parties (Note 18.2)	-	-
Provision for concession fee	553,419	451,059
Other Payables	220,287	26,544
Accruals (Note 15.2)	370,391	324,868
Statutory obligations payables – tax and social security payments (Note 15.3)	429,610	372,168
	2,015,297	2,353,662

15.1

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled within 12months.
- Other payables are non-interest bearing and have an average term of 6months.

	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
15.2		
Accruals		
Stamp Duties	12,397	11,616
Others	357,994	313,252
	370,391	324,868

15.3

Statutory obligation payables – tax and social security payments

Withholding tax payables	29,977	12,294
Value added tax payable	148,094	119,743
ITF contribution	31	1,293
NSITF contribution payable	21,280	22,427
Pension	136,799	129,557
PAYE	6,930	8,641
Cooperative and thrift	84,212	74,774
Union dues	276	734
National Housing Fund	1	1
Payroll Clearance	-	692
Leave allowance accruals	-	3
Federal Housing Loan	2,010	2,010
	429,610	372,168

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
16		
BORROWINGS		
United Bank for Africa Plc.	269,356	286,821
	269,356	286,821
Classification of borrowings:		
Current	269,356	15,931
Non Current	-	270,890
	269,356	286,821

United Bank for Africa Plc.-Term Loan

This is a facility of ₦319,041,494.72(€768,608) which was sourced to purchase a ground handling equipment. The facility is for a tenor of 4 years effective 2020. The interest rate is floating at 14% p.a below the lender's prime lending rate currently 25% per annum giving an initial gross interest rate of 11% per annum. The facility is secured against fixed and floating assets of the company and personal guarantee of the Chairman.

17

Reconciliation of movements of Liabilities to cash flows arising from Financing Activities

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
Opening Balance	286,821	152,592
Changes from Financing Cash flows		
Additional Borrowing	-	319,041
Repayment of Borrowings	(17,465)	(184,813)
Other Changes		
Interest Expense	7,720	26,214
Interest Paid	(7,720)	(26,214)
	-	-
Closing amount as at ending	269,356	286,821

18

RELATED PARTY

The company entered into various transaction with related parties in the ordinary course of business.

Details of the transactions between the Company and other related parties are disclosed below:

18.1 Identity of Related Party

Port and Cargo Handling Services Company Limited

Sifax Shipping Company Limited

Port and Cargo Handling Services Company Limited

Ports and Cargo Handling Services is the port operations arm of SIFAX Group. The company entered into various transactions with the related party, ranging from support services to expenses incurred by the related company. The outstanding amount is from the various transactions entered with the related party.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

Sifax Shipping Company Limited

SIFAX Shipping Company Limited was founded to provide a variety of complementary, quality shipping services. The company's bouquet of services includes Ship Agency, Ship Husbandry, Protective Agency/ Owners Representation, Crew Change and Group age. The amount outstanding represent cost and expenses incurred by the company on behalf of Skyway Aviation Handling Company Plc.

18.2 Outstanding Balances

Due to related entities

Port and Cargo Handling Services Company Limited
Sifax Shipping Company Limited
Sifax Off dock Nigeria Ltd

	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
	-	-
	-	-
	-	-
	-	-
	472,047	470,692
	472,047	470,692

Due from related entities

Sifax Shipping Company Limited

	Unaudited 3 Months Ended 31 March 2021 Unit	Audited Year ended 31 Dec., 2020 Unit
	1,500,000,000	1,500,000,000

19

SHARE CAPITAL

Authorised:

Ordinary shares of 50k each
(2019: Ordinary shares of 50k each)

	1,500,000,000	1,500,000,000
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Issued and fully paid

Ordinary shares of 50k each
(2019: Ordinary shares of 50k each)

	1,353,580,000	1,353,580,000
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	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
Authorised:		
Balance at the beginning of the period	750,000	750,000
Issued during the period	-	-
Balance at the end of the period	750,000	750,000
Issued and fully paid		
Balance at the beginning of the period	676,790	676,790
Issued during the period	-	-
Balance at the end of the period	676,790	676,790

All ordinary shares rank equally with regard to the Company's residual assets

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

20 Employee Benefits Obligation

a) Defined Contribution Plan

The company operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act, 2004, with contributions based on the employees' emoluments in the ratio 8% by the employee and 12% by the employer.

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
Balance at beginning	129,557	118,248
Charge to profit or loss	55,509	158,975
Payments during the period	(48,267)	(147,667)
Balance at the end	<u>136,799</u>	<u>129,557</u>

The company's contributions to this scheme is charged to the profit or loss account in the period to which they relate. Contributions to the scheme are managed by Stanbic IBTC pension manager, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act.

Consequently, the company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

b) Defined Benefit Plan

The Company also has a retirement benefits policy for all its full-time employees who have served the company for a minimum of 1 year. The company has a post-retirement programme for any employee who has attained the terminal age limit of 60years and 35 years in service whichever is earlier.

The amount included in the statement of financial position as a result of the entity's obligation in respect of its defined benefit plans is as follows:

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
Present value of the defined benefit plan	1,418,232	1,374,699
Fair value of plan assets	-	-
Funded Status	<u>1,418,232</u>	<u>1,374,699</u>

Reconciliation of change in the present value of the defined benefit plan are as follows:

	Unaudited 3 Months Ended 31 March 2021 N'000	Audited Year ended 31 Dec., 2020 N'000
Statement of Financial Position - Opening	1,374,699	1,050,292
Net Periodic Benefit Cost recognised in the Profit or loss	43,534	236,661
Benefit paid by employer during the period	-	(61,042)
Employer contribution	-	-
Amount recognised in Other Comprehensive income	-	148,788
	<u>1,418,232</u>	<u>1,374,699</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
21		
RETAINED EARNINGS		
As at beginning of the period	4,565,058	4,306,022
Profit for the period	93,368	482,377
Dividend	-	(223,341)
As at the end of the period	<u><u>4,658,426</u></u>	<u><u>4,565,058</u></u>

22

REVALUATION RESERVE

As at beginning of the period	9,088,895	9,088,895
Other Comprehensive Income	-	-
As at the end of the period	<u><u>9,088,895</u></u>	<u><u>9,088,895</u></u>

The revaluation reserve relates to the revaluation of Property, Plant & Equipment (Refer to Note 9.1).

	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
23		
ACTUARIAL VALUATION RESERVE		
As at beginning of the period	84,484	169,323
Other Comprehensive Income	-	(84,839)
As at the end of the period	<u><u>84,484</u></u>	<u><u>84,484</u></u>

24

SHARE PREMIUM

As at beginning of the period	4,784,010	4,784,010
Issued during the period	-	-
As at the end of the period	<u><u>4,784,010</u></u>	<u><u>4,784,010</u></u>

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EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period.

	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
Net profit attributable to ordinary equity holders	<u><u>93,368</u></u>	<u><u>482,377</u></u>
	Number	Number
Weighted average number of ordinary shares	<u><u>1,353,580,000</u></u>	<u><u>1,353,580,000</u></u>
Basic earning per Ordinary Shares (Kobo)	<u><u>7</u></u>	<u><u>36</u></u>
Diluted earnings per ordinary shares (Kobo)	<u><u>7</u></u>	<u><u>36</u></u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year ended 31 Dec., 2020 ₦'000
26		
DEFERRED INCOME		
Rental Income	130,019	111,930
Amount received during the period are categorized as follows:		
Current portion	35,273	83,055
Non-Current portion	94,745	28,875
	130,019	111,930
27		
INCOME TAX LIABILITY		
The major components of income tax expense for the period are:		
As per profit or loss:		
Current income tax charge:		
Income tax	63,578	252,886
Education tax	12,716	50,577
Police Levy		2,833
Total Current Tax	76,294	306,297
Deferred tax:		
Origination and reversal of temporary differences (Note 33)	-	(222,008)
Total Deferred Tax	-	(222,008)
Income Tax Expense	76,294	84,289
As per other comprehensive Income:		
Origination and reversal of temporary differences	-	(63,949)
As Per Statement of Financial Position:		
As at beginning of the period	299,838	372,662
Current income tax charge for the period	76,294	306,296
	376,132	678,958
Less: Payment during the period		
Withholding Tax Credit Notes	-	(99,387)
Cash	-	(279,734)
As at the end of the period	376,132	299,838
28		
DEFERRED TAX LIABILITIES/(ASSETS)		
As Per Statement of Financial Position:		
Summarized Reconciliation of Total deferred tax assets (Net):		
As at beginning of the period	523,961	238,004
Relating to origination and reversal of temporary differences	-	285,956
As at the end of the period	(523,961)	523,961

Deferred tax assets and liabilities relates to the unutilised capital allowances, Employee benefit and receivables/intangible assets to the extent that the realisation of the related tax benefits through future taxable profits is probable. All deferred tax assets/liabilities are deemed to be recoverable after 12months. Deferred tax on revaluation surplus is based on capital gains tax of 10%.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2021

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SECURITIES TRADING POLICY

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) Skyway Aviation Handling Company Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares. The Policy 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 period.