# Nigerian Aviation Handling Company Plc

## First Half year ended 30 June, 2021

## Contents

# Consolidated and Separate Statement of Comprehensive Income

***For the period ended 30th June, 2021.***

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| | | Group | | Group | | Company | | Company | |
|---|---|---|---|---|---|---|---|---|---|
| | Notes | Jan-Jun. 2021 | Jan-Jun. 2020 | Apr. - Jun. 2021 | Apr. - Jun. 2020 | Jan-Jun. 2021 | Jan-Jun. 2020 | Apr. - Jun. 2021 | Apr. - Jun. 2020 |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Revenue | 5 | 4,712,443 | 3,576,450 | 2,508,072 | 1,026,153 | 4,467,413 | 3,397,100 | 2,379,999 | 958,443 |
| Operating costs | 9a | (2,957,937) | (2,644,601) | (1,490,632) | (1,071,621) | (2,886,796) | (2,576,773) | (1,451,408) | (1,029,513) |
| **Gross Profit** | | 1,754,505 | 931,849 | 1,017,439 | (45,468) | 1,580,617 | 820,327 | 928,591 | (71,070) |
| Other Income | 6 | 212,392 | 105,920 | 156,783 | 59,914 | 182,139 | 95,300 | 130,431 | 50,558.00 |
| Administrative Costs | 9b | (1,243,355) | (1,320,591) | (665,898) | (503,243) | (1,150,936) | (1,237,983) | (615,797) | (470,946) |
| **Profit from operations** | | 723,543 | (282,822) | 508,325 | (488,797) | 611,820 | (322,356) | 443,225 | (491,458) |
| Finance Income | 7 | 16,732 | 146,657 | 7,786 | 120,390 | 16,732 | 146,657 | 7,786 | 120,511 |
| Finance costs | 7 | (93,880) | (43,826) | (88,199) | (23,931) | (88,533) | (38,479) | (85,526) | (21,257) |
| Expected Credit Reversal/(Losses) | 9c | - | - | - | - | - | - | - | - |
| **Profit/(Loss) before tax** | | 646,395 | (179,991) | 427,912 | (392,338) | 540,019 | (214,178) | 365,485 | (392,204) |
| Income tax expense | 8(a) | (141,517) | 36,808 | (92,645) | 89,407 | (121,504) | 48,190 | (82,234) | 92,285 |
| **Profit/(loss) after tax** | | 504,878 | (143,183) | 335,267 | (302,931) | 418,515 | (165,988) | 283,251 | (299,919) |
| Other comprehensive income | | - | - | - | - | - | - | - | - |
| Total comprehensive income | | 504,878 | (143,183) | 335,267 | (302,931) | 418,515 | (165,988) | 283,251 | (299,919) |
| **Attributable to:** | | | | | | | | | |
| Profit/ (loss) attributable to owners of the company | | 492,919 | (150,259) | 329,602 | (305,344) | 418,515 | (165,988) | 283,251 | (299,919) |
| Non-controlling interest | 9 | 11,958 | 7,075 | 5,664 | 2,413 | - | - | - | - |
| | | 504,878 | (143,184) | 335,267 | (302,931) | 418,515 | (165,988) | 283,251 | (299,919) |
| **Earnings per share** | | | | | | | | | |
| Basic earnings per share ( Kobo) | 10 | 30 | (9) | 20 | (19) | 26 | (10) | 18 | (18) |
| Diluted earnings per share ( Kobo) | 10 | 30 | (9) | 20 | (19) | 26 | (10) | 18 | (18) |

**Consolidated and Separate Statement of Financial Position**
*As at 30th June, 2021*

| | Notes | Group | | Company | |
|---|---|---|---|---|---|
| | | Jun. 2021 | Dec. 2020 | Jun. 2021 | Dec. 2020 |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **Assets** | | | | | |
| Property, plant and equipment | 11 | 6,878,101 | 7,288,358 | 6,733,535 | 7,132,440 |
| Intangible assets | 12 | 123,493 | 131,181 | 29,150 | 36,787 |
| Investment property | 13 | 300,722 | 133,310 | 300,721 | 133,310 |
| Right of use asset | 11a | 716,996 | 755,540 | 724,934 | 758,945 |
| Investment in subsidiaries | 14 | - | - | 39,500 | 39,500 |
| Deposit for shares | 14 | - | - | - | - |
| **Total non-current assets** | | 8,019,313 | 8,308,389 | 7,827,840 | 8,100,982 |
| **Current assets** | | | | | |
| Inventories | 17 | 331,137 | 270,747 | 331,137 | 270,747 |
| Trade and other receivables | 19 | 2,900,182 | 2,542,957 | 2,594,205 | 2,340,312 |
| Intercompany receivables | 20 | - | - | 622,611 | 613,664 |
| Other current assets | 16 | - | 532 | - | 532 |
| Loan to Subsidiary | 16 | - | - | - | - |
| Prepayments | 18 | 1,841,778 | 1,309,255 | 1,611,463 | 1,095,182 |
| Debt instrument at amortized value | 21 | 427,696 | 485,032 | 427,696 | 485,032 |
| Cash & cash equivalent | 22 | 1,249,261 | 835,529 | 1,092,134 | 735,318 |
| **Total current assets** | | 6,750,054 | 5,444,052 | 6,679,245 | 5,540,787 |
| **Total assets** | | 14,769,367 | 13,752,441 | 14,507,085 | 13,641,769 |
| **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 | 25 | 4,329,274 | 3,836,380 | 4,291,061 | 3,872,548 |
| **Total equity attributable to equity holders of the Company** | | 7,056,141 | 6,563,247 | 7,017,928 | 6,599,415 |
| Non-controlling interests | 26 | (101,433) | (113,391) | - | - |
| **Total equity** | | 6,954,708 | 6,449,856 | 7,017,928 | 6,599,415 |
| **Liabilities** | | | | | |
| Loans and borrowings | 27 | - | - | - | - |
| Lease Liabilities | 27b | 1,288,941 | 1,192,080 | 1,293,060 | 1,194,714 |
| Deferred income/revenue | 29 | - | - | - | - |
| Deferred tax liabilities | 8C | 805,416 | 805,416 | 804,267 | 804,267 |
| **Total non-current liabilities** | | 2,094,357 | 1,997,496 | 2,097,327 | 1,998,981 |
| Current tax liabilities | 8B | 911,802 | 782,670 | 867,308 | 745,803 |
| Trade and other payables | 28 | 4,695,392 | 4,412,166 | 4,513,979 | 4,225,110 |
| Intercompany Payable | 20 | - | - | - | - |
| Lease Liabilities | 27b | - | 53,195 | - | 51,402 |
| Loans & Borrowing | 27 | - | - | - | - |
| Intercompany Receivable Impairment | | - | - | - | - |
| Deferred Income | 29 | 113,107 | 57,058 | 10,544 | 21,058 |
| **Total current liabilities** | | 5,720,301 | 5,305,089 | 5,391,830 | 5,043,373 |
| **Total liabilities** | | 7,814,658 | 7,302,585 | 7,489,157 | 7,042,354 |
| **Total equity and liabilities** | | 14,769,366 | 13,752,441 | 14,507,085 | 13,641,769 |

This Financial statement was approved by the Board of Directors on 29th Jul. 2021 and signed on its behalf by:

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

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

**Consolidated and Separate Statement of changes in Equity**
***For the period ended 30th June, 2021***

| | Attributable to equity holders of the Group | | | | | |
|---|---|---|---|---|---|---|
| | Share Capital | Share Premium | Retained Earnings | Total | Non-controlling Interest | Total Equity |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **As at 1 January 2021** | **812,109** | **1,914,758** | **3,836,376** | **6,563,243** | **(113,391)** | **6,449,852** |
| Profit for the year | - | - | 492,919 | 492,919 | 11,958 | **504,877** |
| **Other comprehensive income:** | | | | | | |
| Defined benefit plan actuarial gains (losses) | - | - | - | - | - | - |
| Prior year deferred tax adjustment | - | - | - | - | - | - |
| Restated Balance | - | - | (21) | (21) | - | **(21)** |
| Other comprehensive income | - | - | (21) | (21) | - | **(21)** |
| **Total comprehensive income for the period** | **-** | **-** | **492,898** | **492,898** | **11,958** | **504,856** |
| **Transaction with owners recognised directly in equity** | | | | | | |
| Dividend payable to owners | - | - | - | - | - | - |
| Issue of shares | - | - | - | - | | - |
| **Total transactions with owners of the Company** | **-** | **-** | **-** | **-** | **-** | **-** |
| **As at 30 Jun. 2021** | **812,109** | **1,914,758** | **4,329,274** | **7,056,141** | **(101,433)** | **6,954,708** |

| | Attributable to equity holders of the Parent | | | | | |
|---|---|---|---|---|---|---|
| | Share Capital | Share Premium | Retained Earnings | Total | Non-controlling Interest | Total Equity |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **As at 1 January 2021** | **812,109** | **1,914,758** | **3,872,547** | **6,599,416** | **-** | **6,599,416** |
| **Comprehensive income for the period** | | | | | | |
| Restatement Due to IFRS 9 Adoption | | | | | | |
| **Carrying Balance at 1 Jan 2021** | **812,109** | **1,914,758** | **3,872,547** | **6,599,414** | **-** | **6,599,414** |
| Profit for the year | - | - | 418,514 | 418,514 | - | **418,514** |
| **Other comprehensive income:** | | | | | | |
| Defined benefit plan actuarial gains (losses) | - | - | - | - | - | - |
| Prior year deferred tax adjustment | - | - | - | - | - | - |
| Restated Balance | - | - | | - | - | - |
| Other comprehensive income | - | - | - | - | - | - |
| **Total comprehensive income for the period** | **-** | **-** | **418,514** | **418,514** | **-** | **418,514** |
| **Transaction with owners recognised directly in equity** | | | | | | |
| Dividend payable to owners | - | - | - | - | - | - |
| Issue of shares | - | - | - | - | | - |
| **Total transactions with owners of the Company** | **-** | **-** | **-** | **-** | **-** | **-** |
| **As at 30 Jun. 2021** | **812,109** | **1,914,758** | **4,291,061** | **7,017,928** | **-** | **7,017,928** |

**Consolidated and Separate Statement of Cash Flows**
***For the year ended 30th June, 2021***

| | | Group | | Company | |
|---|---|---|---|---|---|
| | Notes | Jan. -Jun. 2021 | Jan. - Jun. 2020 | Jan. -Jun. 2021 | Jan. - Jun. 2020 |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **Cash Flows from Operating Activities** | | | | | |
| Profit before Tax | | 646,395 | (176,472) | 540,019 | (209,782) |
| ***Adjustments to reconcile profit before tax to net cash flows:*** | | | | | |
| Depreciation: PPE | 11 | 443,348 | 450,512 | 431,734 | 435,278 |
| Depreciation: Investment property | 13 | 78,365 | 1,802 | 78,365 | 1,802 |
| Amortisation of intangible asset | 12 | 7,638 | 9,078 | 7,638 | 9,078 |
| Cost of assets transferred | | - | - | - | - |
| Depreciation of the transferred asset | | - | - | - | - |
| Depreciation of right of use of assets | | - | - | - | - |
| Loss/(gain )on disposal of PPE | 6 | - | - | - | - |
| Expected Credit (reversals)/ losses | 9c | - | - | - | - |
| Unrealised exchange gain | 6 | - | (98,199) | - | (98,199) |
| Deferred rent released to profit or loss | 29 | (99,277) | (83,309) | (99,277) | (83,309) |
| Finance cost | 7 | 93,880 | 37,129 | 88,533 | 31,782 |
| Finance income | 7 | (16,732) | (48,458) | (16,732) | (48,458) |
| Interest on Lease | 7 | - | - | - | - |
| | | 507,222 | 268,555 | 490,261 | 247,974 |
| | | 1,153,617 | 92,083 | 1,030,280 | 38,192 |
| ***Working Capital adjustments:*** | | | | | |
| (Increase)/Decrease in inventories | | (60,390) | (21,775) | (60,389) | (21,774) |
| (Increase)/Decrease in trade and other receivables | | (357,225) | (32,492) | (253,893) | (11,100) |
| (Increase)/Decrease in intercompany receivables | | - | (170,267) | (8,947) | (67,932) |
| (Increase)/Decrease in prepayments | | (532,523) | 460,857 | (516,281) | 467,049 |
| (Decrease)/increase in trade and other payables | 28 | 283,226 | 385,757 | 288,869 | 229,802 |
| (Decrease)/increase in intercompany payable | | - | - | - | - |
| | | (666,912) | 622,080 | (550,641) | 596,045 |
| Cash generated from operations | | **486,705** | **714,163** | **479,639** | **634,237** |
| Taxation paid | 8(b) | (12,385) | (24,147) | (0) | (21,344) |
| **Net cash flows from operating activities** | | **474,320** | **690,016** | **479,639** | **612,893** |
| **Cash Flows from Investing activities** | | | | | |
| Purchase of property, plant and equipment | 11 | (33,225) | (943,776) | (32,960) | (927,796) |
| Right of use of assets | | - | 63,145 | - | - |
| Purchase of Intangible Assets | 12 | - | - | - | - |
| Acquisition of Investment properties | 13 | (245,776) | - | (245,776) | - |
| Investment in debt Instrument | | (430,095) | (386,692) | (430,095) | (386,692) |
| Liquidation of debt instrument | | 487,431 | 187,362 | 487,431 | 187,362 |
| Proceeds from disposal of property, plant and equipment | | - | - | - | - |
| Rent received | 29 | 155,326 | 89,508 | 88,763 | 38,208 |
| Outflow from Bond repayment fund | 16 | 532 | 244,846 | 532 | 244,846 |
| Inflow to Bond repayment fund | 16 | - | (237,588) | - | (237,588) |
| Loan to subsidiary | | - | - | - | - |
| Loan repaid by subsidiary | 15 | - | - | - | - |
| Interest received | 7 | 16,732 | 48,458 | 16,732 | 48,458 |
| **Net cash flows (used in)/ from investing activities** | | **(49,075)** | **(934,737)** | **(115,373)** | **(1,033,202)** |
| **Cash Flows from Financing activities** | | | | | |
| Repayment of bond | 27 | - | (210,402) | - | (210,402) |
| Unclaimed dividend | | - | - | - | - |
| Finance cost | 7 | (93,880) | (37,129) | (88,533) | (31,782) |
| Dividends paid | 25 | - | - | - | - |
| Payment of interest on lease | 28b | - | - | - | - |
| Payment of Lease Liability | 28b | - | - | - | - |
| **Net cash flows used in financing activities** | | **(93,880)** | **(247,531)** | **(88,533)** | **(242,184)** |
| Net (decrease)/increase in cash and cash equivalents | | 331,365 | (492,253) | 275,732 | (662,494) |
| Net foreign exchange difference | | 210,204 | 114,656 | 167,480 | 231,720 |
| Cash at bank and in hand, beginning of year | | 835,771 | 1,579,281 | 735,522 | 1,491,068 |
| Cash at bank and in hand, end of Period | | **1,377,340** | **1,201,684** | **1,178,734** | **1,060,294** |
| **Cash & cash equivalents at 30 June. 2021** | 22 | **1,377,340** | **1,201,684** | **1,178,734** | **1,060,294** |

**NAHCO PLC free float status**

**Shareholding Structure/Free Float Status**

| **Description** | **30-Jun-21** | | **30-Jun-20** | |
|---|---|---|---|---|
| | Units | Percentage (In relation to Issued Share Capital) | Units | Percentage (In relation to Issued Share Capital) |
| Issued Share Capital | 1,624,218,750 | 100.000% | 1,624,218,750 | 100.000% |
| Details of Substantial Shareholdings (5% and above) | | | | |
| **[Name(s) of Shareholders]** | | | | |
| Godsmart Nigeria Ltd | 437,731,927 | 26.950% | 437,731,927 | 26.950% |
| White Cowry Industries Limited | 148,869,885 | 9.166% | 148,869,885 | 9.166% |
| Awhua Resources Limited | 115,787,906 | 7.129% | 115,787,906 | 7.129% |
| **Total Substantial Shareholdings** | **702,389,718** | 43.245% | **702,389,718** | 43.245% |
| Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests | | | | |
| **[Name(s) of Directors]** | | | | |
| Dr. Seinde Fadeni Oladapo (Indirect) | - | - | - | - |
| Engr. Mohammed Gambo Umar, mni, FNSE (Direct) | - | - | - | - |
| Mrs Olatokunbo Adenike Fagbemi (Direct) | 66,000 | 0.004% | 66,000 | 0.004% |
| Sir Sunday Nnamdi Nwosu (Direct) | 135,715 | 0.008% | 135,715 | 0.008% |
| Mr. Akinwumi Godson Fanimokun (Direct) | 2,000,000 | 0.123% | 2,000,000 | 0.123% |
| Mr. Salman Taofeeq Oluwatoyin (Direct) | - | - | - | - |
| Engr. Solagbade Olukayode Alabi (Indirect) | - | - | - | - |
| Mr. Tajudeen Moyosola Shobayo (Direct) | 1,138,276 | 0.070% | 72,576 | 0.004% |
| Mr. Olumuyiwa Augustus Olumekun (Direct) | - | - | - | - |
| Mrs. Abimbola Adunola Adebakin (Direct) | - | - | - | - |
| Prince Saheed Lasisi (Direct) | 3,006,185 | 0.185% | 3,006,185 | 0.185% |
| **Total Directors' Shareholdings** | **6,346,176** | 0.391% | **5,280,476** | 0.325% |
| Details of Other Influential shareholdings, if any (E.g. Government, Promoters) | | | | |
| [Name(s) of Entities/ Government] | - | - | - | - |
| **Total of Other Influential Shareholdings** | - | - | - | - |
| Free Float in Unit and Percentage | **915,482,856** | **56.365%** | **916,548,556** | **56.430%** |
| Free Float in Value | **N2,178,849,197.28** | | **N2,071,399,736.56** | |

**Declaration:**

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|---|
| **A) NAHCO Plc with a free float percentage of 56.365% as at 30 Jun. 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.** |
| **A) NAHCO Plc with a free float percentage of 56.43% as at 30 June, 2020, is compliant with The Exchange's free float requirements for companies listed on the Main Board.** |

**Note:**

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|---|
| * Share Price as at Jun. 30, 2021 **N2.38** |
| * Share Price as at Jun. 30, 2020 **N2.29** |

**Notes to the consolidated and separate financial statements**
***For the period ended 30th June, 2021***

**1.**

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 period ended 30 June 2021 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.**

**Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on 30 June, 2021.

**Functional and presentation currency**

These financial statements are presented in Nigerian Naira, which is the Parent's functional currency. Except as indicated, financial information presented in Naira has been rounded to the nearest

**Basis of measurement**

These financial statements are prepared on the historical cost basis.

**Use of estimates and judgements**

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:

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.
The Group has several lease contracts that includes extension . The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew e (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**Property lease classification – 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 substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

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 the each entity in the Group would have to pay to borrow over a

**Notes to the consolidated and separate financial statements**
***For the period ended 30th June, 2021***

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.

**Notes to the consolidated and separate financial statements**
***For the period ended 30th June, 2021***

**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.

**Notes to the consolidated and separate financial statements**
***For the period ended 30th June, 2021***

**Re-assessment of useful lives and residual values**

The Group carries its PPE at cost 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.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, 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 judgements 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.

**Impairment of non-financial assets**

Impairment of non-financial assetsImpairment 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.

**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.

**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.

# Notes to the consolidated and separate financial statements
***For the period ended 30th June, 2021***

**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**

*Subsidiaries*

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 30 June 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 returnsGenerally, 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 derecognises 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 recognised at fair value.

*Transactions eliminated on consolidation*

Intra- company balances, and income and expenses (except for foreign currency translation gains or losses) arising from intra- company transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

# Notes to the consolidated and separate financial statements

***For the period ended 30th June, 2021***

**(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.

**(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 gain or loss 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 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 Company 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 profit or loss as incurred.

# Notes to the consolidated and separate financial statements
***For the period ended 30th June, 2021***

*Depreciation*

Depreciation is recognised in 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 years |
| Plant and machinery | 5-15 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.

*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 softwares 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.

## Notes to the consolidated and separate financial statements

***For the period ended 30th June, 2021***

*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 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 of inventories is determined on the basis of specific identification of their individual costs.

**(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. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of a financial asset measured at fair value through profit or loss is recognized as profit or loss. (b) 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, equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

(i) 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.

(ii) 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.

## Notes to the consolidated and separate financial statements

***For the period ended 30th June, 2021***

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.

(iii) Financial assets measured at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as “at fair value through profit or loss” and measured at fair value with changes in fair value recognized in profit or loss.

A financial asset measured at fair value through profit or loss is recognized initially at fair value and its transaction cost is recognized in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognized in profit or loss, and presented in “finance income” or “finance cost” in the consolidated statement of income for the reporting period in which it arises. The Group does not designate any debt instrument as at fair value through profit or loss to remove or significantly reduce an accounting mismatch.

*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.

*Others*

Other non-derivative financial instruments which comprise of loans and receivables, and other financial liabilities are measured at amortised cost using the effective interest method, less any impairment losses. Short-term trade receivables, other receivables, trade payables and other payables with no stated interest rate are carried at original invoice amounts where the effect of discounting is not significant.

*(ii) 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.

(i) Financial liabilities measured at amortized cost

The Group derecognizes its financial asset if the contractual rights to the cash flows from the investment expire, or the Group transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or continuously retained by the Group are recognized as a separate asset or liability.

ii. Non-derivative financial liabilities

(a) 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.

(ii) Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value. After initial recognition, the financial liability is measured at fair value with subsequent changes recognized as profit or loss.

(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.

Impairment of financial assets

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

**Notes to the consolidated and separate financial statements**
***For the period ended 30th June, 2021***

**(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.

**(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 balance sheet 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.

**(i) Impairment**

*Financial assets*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss.

*Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine its recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**Notes to the consolidated and separate financial statements**
***For the period ended 30th June, 2021***

**(j) Non-current assets held for sale**
Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are measured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

**(k) 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 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.

**(l) 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.

**(m Revenue recognition**
Services

Revenue recognition
Services
Revenue from services rendered is recognised in profit and loss in accordance with IFRS 15. All services are rendered and completed at a point in time. Revenue is recognised at the time the peformance obligation is ended

The group is involved in aviation cargo, aircraft handling, crew and passenger transportation service delivery and power distribution. When the services under a single arrangement are rendered in different reporting periods, the consideration is allocated on a relative fair value basis between the services.

Rental income
Rental income from investment property is recognised as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognised as other income.

**Notes to the consolidated and separate financial statements**
***For the period ended 30 June, 2021***

**(r) 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.

## 4. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, both for financial

*Trade and other receivables*

The fair value of trade and other receivables is estimated as the present value of the future cash flows, discounted at the

*Other non-derivative financial*

Fair value which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rates of interest at the reporting date. For trade and other creditors with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

## 5. Revenue

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

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
| | ₦'000 | N'000 | ₦'000 | N'000 |
| **Revenue from Contracts with Customers:** | | | | |
| Passenger/ Aircraft handling | 1,952,811 | 1,392,714 | 1,952,811 | 1,392,714 |
| Leasing/ Disinfection, Other Services | 128,927 | 78,920 | 32,625 | - |
| **Revenue from Contracts with Customers** | **2,081,738** | **1,471,634** | **1,985,436** | **1,392,714** |
| **Other Revenue** | | | | |
| Cargo handling (Import Cargo) | 2,240,304 | 1,807,217 | 2,091,576 | 1,706,787 |
| Cargo handling (Export Cargo) | 277,872 | 148,309 | 277,872 | 148,309 |
| Equipment rental and maintenance | 209,995 | 149,290 | 209,995 | 149,290 |
| **Other Revenue** | **2,728,171** | **2,104,816** | **2,579,443** | **2,004,386** |
| Discount Allowed/Sales Comm. | (97,466) | - | (97,466) | - |
| **Total Revenue** | **4,712,443** | **3,576,450** | **4,467,413** | **3,397,100** |

Passenger/ Aircraft Handling: Income from passenger handling includes invoices raised for check in formalities, passenger

Cargo Handling: These include invoices raised for; cargo documentation services for airlines, import and export cargo

Equipment rental and maintenance: The Company leases its equipment to airlines for services that are not covered in the

Leasing: A subsidiary, NFZ ltd is into the leasing of properties and heavy duty equipments

**Notes to the consolidated and separate financial statements**
***For the period ended 30 June, 2021***

## 6 Other Income

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
| | ₦'000 | N'000 | ₦'000 | N'000 |
| Rental income from investment property | 99,277 | 83,309 | 99,277 | 83,309 |
| Foreign exchange(loss)/gain -realized | (6,869) | - | (6,869) | - |
| Sundry Income | 112,572 | 22,611 | 82,318 | 11,991 |
| Impairment allowance recovery | - | - | - | - |
| **Profit/(Loss) on disposal of property, plant and equipment** | - | - | - | - |
| Invoice Price Variance | 2,413 | - | 2,413 | - |
| Income from training services | 5,000 | - | 5,000 | - |
| Grants | - | - | - | - |
| | **212,392** | **105,920** | **182,139** | **95,300** |

## 7 Finance income and expense

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
| | ₦'000 | N'000 | ₦'000 | N'000 |
| Finance income: | | | | |
| Interest income on Bond reserve | 107 | 1,409 | 107 | 1,409 |
| Interest income on Treasury bills | 7,940 | 25,498 | 7,940 | 25,498 |
| Interest income on fixed & bank deposits | 8,685 | 21,550 | 8,685 | 21,550 |
| Accrued Interest income on Loan (Note 16) | - | - | - | - |
| Foreign exchange(loss)/gain - Unrealized | - | 98,199 | - | 98,199 |
| Other Finance Income | - | - | - | - |
| | **16,732** | **146,656** | **16,732** | **146,656** |
| Interest expense on financial | | | | |
| Interest on Bond | - | 28,920 | - | 28,920 |
| Other Bond charges | - | 2,862 | - | 2,862 |
| Bank and other Charges | - | 6,697 | - | 6,697 |
| Other Interest expense | 5,347 | 5,347 | - | - |
| Interest cost on lease liabilities | - | - | - | - |
| Finance Cost Lease | 88,533 | - | 88,533 | |
| Finance expense | **93,880** | **43,826** | **88,533** | **38,479** |
| | | | | |
| **Net finance costs** | **(77,148)** | **102,830** | **(71,801)** | **108,177** |

The above finance income and expenses relate to transactions on financial assets and liabilities through Statement of
The full effect of the gains due to restructuring of bond 2 will be felt incrementally up to 2021

**Notes to the consolidated and separate financial statements**
***For the year ended 30 June, 2021***

**8. Taxation**

(a) The tax charge for the period comprises:

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
| | N'000 | N'000 | N'000 | N'000 |
| Company income tax | 140,204 | - 37,509 | 121,504 | (48,190) |
| Education tax | 1,313 | 701 | - | - |
| Prior Year Underprovision | - | - | - | - |
| | 141,517 | (36,808) | 121,504 | (48,190) |
| Deferred tax | - | - | - | - |
| | 141,517 | (36,808) | 121,504 | (48,190) |

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

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | N'000 | N'000 | N'000 | N'000 |
| Balance, beginning of year | 782,670 | 508,921 | 745,804 | 486,933 |
| Charge for the year (Note(a)) | 141,517 | 329,522 | 121,504 | 44,095 |
| Actual Payment made during the year | (12,385) | (55,773) | (0) | (20,988) |
| Balance, end of period | 911,802 | 782,670 | 867,308 | 745,804 |

(c) The movement on the deferred tax payable account during the period/year was as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | N'000 | N'000 | N'000 | N'000 |
| At 1 January | 805,416 | 1,075,790 | 804,267 | 1,073,428 |
| Effect of adoption of IFRS 9 | | | - | - |
| At 1 January restated | 805,416 | 1,075,790 | 804,267 | 1,073,428 |
| Charge for the period/year | - | (270,374) | - | (269,161) |
| As at 30 Jun. 2021 | 805,416 | 805,416 | 804,267 | 804,267 |

## Notes to the consolidated and separate financial statements

***For the year ended 30 June, 2021***

**9. Profit from operations**

Profit for the year attributable to:

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Owners of the company | 492,919 | (150,259) | 418,514 | (165,988) |
| Non-controlling interests | 11,958 | 7,075 | - | - |
| | **504,877** | **(143,184)** | **418,514** | **(165,988)** |

Profit for the year has been arrived at after charging (crediting):

**(a) Operating Costs;**

| | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
|---|---|---|---|---|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Payroll Costs | 1,782,939 | 1,569,102 | 1,767,360 | 1,556,225 |
| Local travels | 323 | 556 | 323 | 556 |
| Depreciation, Amortisation & Impairment | 466,327 | 439,610 | 460,799 | 433,610 |
| Diesel, Oil, Motor Repairs & fuel expenses | 81,251 | 126,518 | 80,841 | 126,283 |
| Trainings (Internal & External) | 33,863 | 10,994 | 30,663 | 10,194 |
| Outstation & Estacode Allowance | 2,129 | 10,818 | 2,022 | 10,818 |
| Air Ticket (Local & Foreign) | 1,637 | 7,290 | 1,563 | 7,290 |
| Other Security Expenses | 5,995 | 3,212 | 5,995 | 3,212 |
| Machineries &Equipemt Spares | 100,606 | 68,081 | 100,606 | 58,081 |
| Boots, Helmets, Ear Muff & Co. | 965 | 20,575 | 965 | 10,363 |
| Computer Consumables & Network Exps | 10,274 | 9,310 | 10,274 | 9,310 |
| Electricity | 36,078 | 26,976 | 35,577 | 26,529 |
| Insurance | 40,449 | 49,741 | 39,516 | 49,163 |
| Printing & Stationaries | 9,203 | 4,547 | 8,803 | 4,197 |
| Subscriptions | 30,397 | 5,265 | 15,858 | 5,017 |
| Relocation Expenses (Staff & Equipments) | 13,564 | 2,547 | 13,564 | 2,547 |
| Office & Warehouse Maintenance | 39,236 | 13,472 | 37,957 | 13,139 |
| Airlines Surcharge | (176) | 1,510 | (176) | 1,510 |
| Hajj Expenses | 138 | - | 138 | - |
| Aircraft Disinfectant Expenses | 4,247 | 3,923 | 4,247 | 3,923 |
| Concession Expenses | 235,426 | 176,651 | 235,426 | 176,651 |
| Maintenance | 898 | 12,469 | 898 | 12,457 |
| Other Operating Costs | 62,170 | 81,434 | 33,578 | 55,698 |
| | **2,957,938** | **2,644,601** | **2,886,796** | **2,576,773** |

**Details of Other Costs:**

| | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
|---|---|---|---|---|
| **9(a) Other Operating Costs:** | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Cleaning & Fumigation | 3,062 | 1,453 | 3,062 | 1,453 |
| Clearing Charges | 2,216 | 818 | 2,216 | 818 |
| Other Motor Running Expenses | 3,462 | 984 | 2,511 | 984 |
| Office Plant, Equipment & Fittings | 4,692 | 1,911 | 4,242 | 1,911 |
| Entertainment | 125 | 96 | 114 | 96 |
| Postages, Telex, Newspaper & Periodicals | 1,298 | 1,496 | 1,298 | 1,496 |
| Office Rent | 1,573 | 7,004 | 1,573 | 7,004 |
| Hotel Accomodation | - | 420 | - | 420 |
| Purchase price Variance | 2,430 | (20) | 2,430 | (20) |
| Others | 40,412 | 67,272 | 13,232 | 41,536 |
| | **62,170** | **81,434** | **33,578** | **55,698** |

| **(b) Administrative Expenses:** | **Group** Jun-21 | Jun-20 | **Company** Jun-21 | Jun-20 |
|---|---|---|---|---|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Payroll Costs | 557,526 | 609,713 | 527,796 | 575,287 |
| Directors Remuneration | 18,000 | 39,830 | 18,000 | 24,750 |
| Board Expenses | 110,975 | 123,859 | 109,888 | 119,377 |
| Local travels | 2,378 | 267 | 204 | 140 |
| Depreciation, Amortisation & Impairment | 61,707 | 60,072 | 54,331 | 44,838 |
| Diesel, Oil, Motor Repairs & fuel expenses | 9,022 | 7,455 | 9,022 | 7,291 |
| Trainings (Internal & External) | 23,609 | 29,261 | 23,529 | 29,081 |
| Outstation & Estacode Allowance | 4,702 | 9,324 | 4,595 | 9,324 |
| Hotel Accomodation | 21,148 | 33,052 | 21,148 | 33,052 |
| Air Ticket (Local & Foreign) | 2,544 | 7,261 | 2,544 | 7,261 |
| Outsourced Security | 24,567 | 18,749 | 24,567 | 18,749 |
| Other Security Expenses | 8,586 | 8,579 | 7,911 | 6,279 |
| Machineries &Equipemt Spares | 1,661 | 871 | 1,661 | 871 |
| Boots, Helmets, Ear Muff & Co. | 29,827 | 20,670 | 29,827 | 19,861 |
| Computer Consumables & Network Exps | 16,242 | 25,570 | 16,221 | 24,953 |
| Electricity | 23,086 | 10,000 | 23,086 | 10,000 |
| Insurance | 7,957 | 14,049 | 7,717 | 13,601 |
| Printing & Stationaries | 17,927 | 8,448 | 17,927 | 8,448 |
| Legal Fees | 20,385 | 12,583 | 20,385 | 12,583 |
| Audit Fees | 7,000 | 8,610 | 7,000 | 7,000 |
| Consulting Fees | 15,470 | 36,763 | 15,470 | 36,763 |
| Office & Warehouse Maintenance | 14,319 | 18,049 | 13,745 | 18,049 |
| Registrar Fees | 4,750 | 2,265 | 4,750 | 2,265 |
| Advertisement | 3,156 | 7,921 | 3,156 | 7,921 |
| Corporate Social Responsibility & Corporate gifts | 3,873 | 12,933 | 3,873 | 12,933 |
| Public Relation, Business Promotion & Business Dev. Exp. | 59,428 | 15,013 | 49,215 | 15,013 |
| Subscriptions | 24,050 | 22,773 | 24,050 | 22,773 |
| Other Administrative Expenses: | 149,461 | 156,651 | 109,318 | 149,520 |
| | **1,243,355** | **1,320,591** | **1,150,936** | **1,237,983** |

| **(b) Other Administrative Expenses:** | **Group** **Jun. 21** | **Jun. 20** | **Company** **Jun. 21** | **Jun. 20** |
|---|---|---|---|---|
| | **N'000** | **N'000** | **N'000** | **N'000** |
| Cleaning & Fumigation | 14,177 | 6,679 | 14,177 | 6,679 |
| Vehicle Tax & License | 2,643 | 2,458 | 2,643 | 2,334 |
| Other Motor Running Expenses | 1,316 | 2,487 | 972 | 2,487 |
| Office Plant, Equipment & Fittings | 1,372 | 1,755 | 1,372 | 1,755 |
| Telephone | 3,314 | - | 3,314 | - |
| Staff Uniform & Overall | 16,030 | 949 | 15,923 | 949 |
| Entertainment | 3,064 | 3,010 | 3,064 | 3,010 |
| Consumables | 5,128 | 7,004 | 5,128 | 7,004 |
| Registrar Fees | 5,092 | 1,187 | 4,750 | 1,187 |
| Postages, Telex, Newspaper & Periodicals | 2,056 | 2,345 | 2,056 | 2,345 |
| Donations | 2,173 | 8,000 | 2,173 | 8,000 |
| Relocation Expenses (Staff & Equipments) | 998 | - | 998 | - |
| Maintenance | 20,424 | 20,970 | 20,424 | 20,510 |
| Utilities-other | 1,067 | - | 1,067 | - |
| Business Development Expenses | 22,049 | 13,897 | 22,049 | 12,763 |
| Others | 48,559 | 85,910 | 9,211 | 80,497 |
| | **149,461** | **156,651** | **109,319** | **149,520** |

Impairment losses on financial assets

| | **Group** Jun-21 | Jun-20 | **Company** Jun-21 | Jun-20 |
|---|---|---|---|---|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |

| | | | | | |
|---|---|---|---|---|---|
| (c) | Impairment loss (recovery) on trade receivables (See | | | - | |
| | Impairment losses for the year (See Note 30) | - | 25,000 | - | 25,000 |
| | Expected Credit Losses Recognized | - | - | - | - |
| | | - | 25,000 | - | 25,000 |

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Depreciation** | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| | Depreciation of property, plant and equipment | 440,076 | 450,247 | 431,754 | 433,557 |
| | Amortisation of intangible assets | 7,638 | 9,078 | 7,638 | 9,078 |
| (d) | Depreciation of investment property | 41,748 | 1,802 | 41,748 | 1,802 |
| | Depreciation of right of use of asset | 38,544 | 37,555 | 34,011 | 34,011 |
| | | **528,006** | **498,682** | **515,151** | **478,448** |

| | Group | | Company | |
|---|---|---|---|---|
| **Depreciation Allocation** | Jun-21 | Jun-20 | Jun-21 | Jun-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **Operating Costs** | 466,327 | 438,610 | 460,799 | 433,610 |
| **Admin expenses** | 61,707 | 60,072 | 54,331 | 44,838 |
| | **528,034** | **498,682** | **515,131** | **478,448** |

**10. Basic earnings per share**

| | Group | |
|---|---|---|
| | **Jun. 21** | **Jun. 20** |
| | ₦'000 | ₦'000 |
| **Profit attributable to ordinary shareholders** | 492,919 | (150,259) |
| **Weighted average number of ordinary shares** | 1,624,218 | 1,624,218 |
| **Basic EPS** | 30 | (9) |

# Notes to the consolidated and separate financial statements

***For the period ended 30 June, 2021***

**11. Property, plant and equipment**

| | Land | Building | Plant & Machinery | Motor Vehicles | Computer Equipment | Furniture& Equipment | Right of Use Assets | Capital WIP | Total |
|---|---|---|---|---|---|---|---|---|---|
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **COMPANY** | | | | | | | | | |
| **COST** | | | | | | | | | |
| **At 1 January 2021** | **50,219** | **3,257,736** | **8,868,092** | **534,801** | **1,565,294** | **467,985** | **0** | **47,686** | **14,791,813** |
| Additions | - | 673 | 30,194 | 480 | 1,425 | 188 | | - | 32,960 |
| Disposals | - | | | - | | - | | | - |
| Transfer | - | | - | | | | | | - |
| As at 30 Jun. 2021 | **0** | **673** | **30,194** | **480** | **1,425** | **188** | **0** | **0** | **32,960** |
| Additions | - | - | - | - | - | - | | | 0 |
| Transfer | - | | - | | | | | | 0 |
| Disposals | - | | - | - | | - | | | - |
| | **0** | **0** | **0** | **0** | **0** | **0** | | **0** | **0** |
| As at 30 Jun. 2021 | **50,219** | **3,258,409** | **8,898,286** | **535,281** | **1,566,719** | **468,173** | **0** | **47,686** | **14,824,773** |
| **Depreciation** | | | | | | | | | |
| **At 1 January 2021** | **8,906** | **602,530** | **4,826,040** | **413,401** | **1,378,175** | **430,452** | - | - | **7,659,504** |
| Charge for the year | 500 | 33,853 | 323,812 | 33,064 | 28,710 | 11,795 | - | - | 431,734 |
| Disposal | | | | - | | - | - | - | - |
| Transfer | | | | | | | | | |
| As at 30 Jun. 2021 | **500** | **33,853** | **323,812** | **33,064** | **28,710** | **11,795** | - | - | **431,734** |
| Charge for the year | - | - | - | - | - | - | - | | - |
| Disposals | | | - | - | | - | - | | - |
| Transfer | | | | | | | | | - |
| | - | - | - | - | - | - | | - | - |
| As at 30 Jun. 2021 | **9,406** | **636,383** | **5,149,852** | **446,465** | **1,406,885** | **442,247** | - | - | **8,091,238** |
| **NET BOOK VALUE** | | | | | | | | | |
| As at 30 Jun. 2021 | **40,813** | **2,622,026** | **3,748,434** | **88,816** | **159,834** | **25,926** | - | **47,686** | **6,733,535** |
| **At 31 December 2020** | **41,313** | **2,655,206** | **4,042,052** | **121,400** | **187,119** | **37,533** | - | **47,686** | **7,132,309** |

**11. Property, plant and equipment (Group)**

| | Land ₦'000 | Building ₦'000 | Plant & Machinery ₦'000 | Motor Vehicles ₦'000 | Computer Equipment ₦'000 | Furniture& Equipment ₦'000 | Right of Use Assets ₦'000 | Capital WIP ₦'000 | Total ₦'000 |
|---|---|---|---|---|---|---|---|---|---|
| **<u>COMPANY</u>** | | | | | | | | | |
| **COST** | | | | | | | | | |
| **At 1 January 2021** | **50,219** | **3,345,851** | **8,922,353** | **574,800** | **1,581,020** | **525,652** | **0** | **47,685** | **15,047,580** |
| Additions | - | 673 | 30,194 | 480 | 1,645 | 233 | | - | 33,225 |
| Disposals | - | | | | | - | | | - |
| Transfer | - | | | | | | | | - |
| As at 30 Jun. 2021 | **0** | **673** | **30,194** | **480** | **1,645** | **233** | **0** | **0** | **33,225** |
| Additions | - | - | - | - | - | - | | - | - |
| Transfer | - | - | - | - | - | - | | - | - |
| Disposals | - | - | - | - | - | - | | - | - |
| Reclassification | - | - | - | - | - | - | | - | - |
| | - | - | - | - | - | - | | - | - |
| As at 30 Jun. 2021 | **50,219** | **3,346,524** | **8,952,547** | **575,280** | **1,582,665** | **525,885** | **0** | **47,685** | **15,080,805** |
| **Depreciation** | | | | | | | | | |
| **At 1 January 2021** | **8,906** | **611,170** | **4,851,506** | **436,389** | **1,391,339** | **460,046** | **-** | **-** | **7,759,356** |
| Charge for the year | 500 | 34,734 | 327,381 | 36,336 | 29,695 | 14,702 | - | - | 443,348 |
| Disposal | - | - | - | - | - | - | - | - | - |
| **Transfer** | | | - | | | | | | |
| As at 30 Jun. 2021 | **500** | **34,734** | **327,381** | **36,336** | **29,695** | **14,702** | **-** | **-** | **443,348** |
| Charge for the year | - | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - | - |
| Disposals | | | - | - | - | - | | | - |
| Reclassification | - | - | - | - | - | - | | - | - |
| | - | - | - | - | - | - | - | - | - |
| As at 30 Jun. 2021 | **9,406** | **645,904** | **5,178,887** | **472,725** | **1,421,034** | **474,748** | **-** | **-** | **8,202,704** |
| **NET BOOK VALUE** | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| As at 30 Jun. 2021 | **40,813** | **2,700,620** | **3,773,660** | **102,555** | **161,631** | **51,137** | **-** | **47,685** | **6,878,101** |
| **At 31 December 2020** | **41,310** | **2,733,715** | **4,075,832** | **138,048** | **189,635** | **62,132** | **-** | **47,686** | **7,288,358** |

# Notes to the consolidated and separate financial statements

***For the period ended 30 June, 2021***

**11. Right of use of Asset**

| | Building | Warehouse | Total |
|---|---|---|---|
| | ₦'000 | ₦'000 | ₦'000 |
| **COMPANY** | | | |
| **COST** | | | |
| **At 1 January 2021** | **894,987** | **-** | **894,987** |
| Additions | - | - | - |
| Disposals | - | - | - |
| Transfer | - | - | - |
| | - | - | - |
| As at 30 Jun. 2021 | **894,987** | **0** | **894,987** |
| **Depreciation** | | | |
| **At 1 January 2021** | **136,042** | **-** | **136,042** |
| Charge for the year | 34,011 | - | 34,011 |
| Disposal | - | - | - |
| **Transfer** | - | - | - |
| As at 30 Jun. 2021 | **34,011** | **-** | **34,011** |
| As at 30 Jun. 2021 | **170,053** | **-** | **170,053** |
| **NET BOOK VALUE** | | | |
| As As at 30 Jun. 2021 | **724,934** | **-** | **724,934** |
| **At 31 Dec. 2020** | **758,945** | **-** | **758,945** |

| | Building | Warehouse | Total |
|---|---|---|---|
| **GROUP** | | | |
| **COST** | | | |
| **At 1 January 2021** | **908,317** | **-** | **908,317** |
| Additions | - | - | - |
| Disposals | - | | - |
| As at 30 Jun. 2021 | - | - | - |
| As at 30 Jun. 2021 | **908,317** | **-** | **908,317** |
| **Depreciation** | | | |
| **At 1 January 2021** | **155,002** | **-** | **155,002** |
| Charge for the year | 36,319 | - | 36,319 |
| Disposal | - | - | - |

| | | | |
|---|---|---|---|
| As at 30 Jun. 2021 | **36,319** | **-** | **36,319** |
| As at 30 Jun. 2021 | **191,321** | **0** | **191,321** |
| **NET BOOK VALUE** | | | |
| As at 30 Jun. 2021 | **716,996** | **0** | **716,996** |
| **At 31 Dec. 2020** | **755,540** | **-** | **755,540** |

## Notes to the consolidated and separate financial statements

***For the year ended 30 june, 2021***

**12. Intangible assets**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **Cost** | | | | |
| Balance at 1 January | 441,756 | 440,906 | 347,284 | 347,284 |
| Additions | - | 850 | - | - |
| As at 30 Jun. 2021 | 441,756 | 441,756 | 347,284 | 347,284 |
| **Amortisation** | | | | |
| Balance at 1 January | 310,582 | 292,681 | 310,497 | 292,681 |
| Amortisation for the year | 7,681 | 17,901 | 7,638 | 17,816 |
| As at 30 Jun. 2021 | 318,263 | 310,582 | 318,135 | 310,497 |
| **Carrying amounts** | | | | |
| As at 30 Jun. 2021 | 123,493 | 131,174 | 29,150 | 36,787 |

**13. Investment property**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| **Cost** | | | | |
| As at 1 January | 172,640 | 172,640 | 172,640 | 172,640 |
| Additions | 245,776 | - | 245,776 | - |
| Disposals | | | | |
| As at 30 Jun. 2021 | 418,416 | 172,640 | 418,416 | 172,640 |
| **Depreciation** | | | | |
| Balance at 1 January | 39,330 | 35,726 | 39,330 | 35,726 |
| Charge for the year | 78,364 | 3,604 | 78,365 | 3,604 |
| Disposals | | | | |
| As at 30 Jun. 2021 | 117,694 | 39,330 | 117,695 | 39,330 |
| **Carrying amounts** | | | | |
| As at 30 Jun. 2021 | 300,722 | 133,310 | 300,721 | 133,310 |

The fair value of the investment property as at 31st December 2020 was N665million (2019: N660Million). Total rental revenue from the investment property as at 30th June 2021 is N76.7million (June 2020 : N40.4million). The fair value of the properties are 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.

## Notes to the consolidated and separate financial statements

***For the year ended 30 june, 2021***

**13 Investment property - Contd**

| | Company & Group | |
|---|---|---|
| | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 |
| Rental Income derived from Investment Properties | 99,277 | 143,148 |
| Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales) | (11,165) | (11,165) |
| | 88,112 | 131,983 |
| Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales) | - | - |
| Profit arising from investment properties | **88,112** | **131,983** |

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

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

**14. Investment in subsidiaries**

| | Company | |
|---|---|---|
| | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 |
| Shares in subsidiaries: | | |
| Nahco FTZ Limited | 10,000 | 10,000 |
| Nahco Energy and Power Limited | 25,500 | 25,500 |
| Mainland Cargo Options Ltd | 4,000 | 4,000 |
| Deeposit for Shares in NFZ | - | - |
| Balance as at the end of the period | 39,500 | 39,500 |

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

**(I) NFZ Limited**

The company holds N10 million ordinary shares of N1 in this subsidiary, representing 100 percent of the issued share capital of N10 million. 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, Power & Infrastructure Limited**

The Company holds N25.5 million ordinary shares of N1 in this subsidiary representing 63 percent of the issued share capital of N40.5 million. 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 balance 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 4 million ordinary shares in the subsidiary representing 40% of the issued share capital of N10 Million. The remaining 60% are owned by NAHCO Energy and Power 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.

**15. Deposit For Shares**

| | Company | |
|---|---|---|
| | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 |
| Balance at 1 January | - | - |
| Transfer of Equipment from NAHCO FTZ | - | - |
| Intercompany Settlement | - | - |
| Additions | - | - |
| Balance as at the end of the period | - | - |

## Notes to the consolidated and separate financial statements

***For the year ended 30 june, 2021***

### 16 Other current assets

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| Other non- current assets comprise of : | | | | |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Bond Repayment Fund- | | | | |
| As at at 1 January | 532 | 7,866 | 532 | 7,866 |
| Interest income on bond | - | 3,149 | - | 3,149 |
| Other bond charges | | (6,987) | | (6,987) |
| Additions during the year | - | 444,564 | - | 444,564 |
| | 532 | 448,592 | 532 | 448,592 |
| Interest distributions | - | (10,688) | - | (10,688) |
| Periodic liquidation on Principal | (532) | (437,372) | (532) | (437,372) |
| **Carrying amounts** | - | 532 | - | 532 |
| As at 30 Jun. 2021 | | | | |

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 toward settlement of bi annual interests and repayment of principal to bond holders. The amount accrued as at 30th June, 2021 is held by the Trustees. (See note 27)

## Notes to the consolidated and separate financial statements
*For the period ended 30 June, 2021*

### 17. Inventories

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | N'000 | ₦'000 | N'000 |
| Spare parts | 229,162 | 200,203 | 229,162 | 200,203 |
| General & Medical | 94,562 | 59,156 | 94,562 | 59,156 |
| Diesel & Lub. | 7,412 | 11,388 | 7,412 | 11,388 |
| | **331,137** | **270,747** | **331,137** | **270,747** |

### 18. Prepayments

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Prepayments comprise: | | | | |
| Deposit for property & equipment | 1,085,511 | 979,206 | 897,278 | 791,513 |
| Prepaid insurance | 49,340 | 95,441 | 47,291 | 94,350 |
| Prepaid Stock | 254,789 | 155,419 | 254,789 | 155,419 |
| Others | 452,138 | 79,190 | 412,105 | 53,900 |
| | **1,841,778** | **1,309,255** | **1,611,463** | **1,095,182** |

Amount in Deposit for assets is largely made up of assets paid for but yet to be delivered or deployed for use.

### 19. Trade and other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Trade and other receivables comprise: | | | | |
| Trade receivables (Note 30) | 2,371,557 | 2,141,145 | 2,082,474 | 1,946,315 |
| Less Impairment (Note 30) | (844,902) | (844,902) | (825,796) | (825,796) |
| | 1,526,655 | 1,296,244 | 1,256,678 | 1,120,519 |
| With holding tax receivable | 965,065 | 855,288 | 938,149 | 837,450 |
| Other receivables | 408,461 | 391,426 | 399,379 | 382,343 |
| | **2,900,182** | **2,542,958** | **2,594,205** | **2,340,312** |

Trade receivables are invoices on ground handling services issued to customers net of taxes and impairment 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

### 20 Intercompany receivables

| | Company | |
|---|---|---|
| | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 |
| NFZ | 173,966 | 166,107 |
| NAHCO Energy, Power and Infrastructure Ltd | 420,760 | 420,760 |
| Mainland Cargo Options | 43,727 | 42,639 |
| | 638,453 | 629,506 |
| **Impairment for the year** | (15,842) | (15,842) |
| | 622,611 | 613,664 |

**Intercompany payables**

| | Company | |
|---|---|---|
| | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 |
| NFZ | - | - |
| NAHCO Energy, Power and Infrastructure Ltd | - | - |
| Mainland Cargo Options | - | - |
| | - | - |
| **Net Intercompany Receivable/(Payables)** ` | **622,611** | **613,664** |

Intercompany (payable)/receivables are payments received by Plc/made on behalf of the subsidiaries. The subsidiaries have been informed. Intercompany (payable)/receivables are eliminated in the consolidated accounts of the Group.

### 21 Debt instrument at amortised cost

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | N'000 | ₦'000 | ₦'000 | ₦'000 |
| As At 1st January | 485,032 | 187,168 | 485,032 | 187,168 |
| Liquidation | (485,032) | (187,168) | (485,032) | (187,168) |
| Treasury bills | 430,095 | 487,431 | 430,095 | 487,431 |
| Impairment | (2,399) | (2,399) | (2,399) | (2,399) |
| Federal Govt Treasury bills | **427,696** | **485,032** | **427,696** | **485,032** |

## Notes to the consolidated and separate financial statements
***For the period ended 30 June, 2021***

**22 Cash and cash equivalents**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | N'000 | ₦'000 | ₦'000 | ₦'000 |
| Bank and cash balances | 596,432 | 191,332 | 470,602 | 156,366 |
| Domicilliary accounts | 313,453 | 275,319 | 302,550 | 270,507 |
| Fixed deposits | 339,618 | 369,119 | 319,186 | 308,649 |
| | **1,249,503** | **835,771** | **1,092,337** | **735,522** |
| Impairment of Short Term Deposits | (241) | (241) | (203) | (203) |
| | **1,249,261** | **835,529** | **1,092,134** | **735,318** |

included in short term deposits is the investment placed for unclaimed dividend as at 30 June, 2021. 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.

**23 Share Capital**

| | | Group | | Company | |
|---|---|---|---|---|---|
| | | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| (a) | Authorised ordinary shares of 50 kobo each | 1,500,000 | 1,500,000 | 1,500,000 | 1,500,000 |
| (b) | Called-up and fully paid ordinary share capital: ordinary shares of 50 kobo each | 812,109 | 812,109 | 812,109 | 812,109 |

All shares rank equally with regard to the company'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 Company.

**24 Share premium**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | N'000 | N'000 | N'000 | N'000 |
| Balance at the end of the period | 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.

## Notes to the consolidated and separate financial statements
***For the period ended 30 June, 2021***

**25 Retained earnings**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | N'000 | N'000 | N'000 | N'000 |
| Balance, beginning of year | 3,836,379 | 4,032,142 | 3,872,523 | 4,067,992 |
| Dividend paid | - | (487,266) | - | (487,266) |
| Total comprehensive income for the year | 492,919 | 291,502 | 418,514 | 291,822 |
| Re-statement due to IFRS adoption | (21) | - | - | - |
| | 4,329,276 | 3,836,379 | 4,291,037 | 3,872,549 |

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

**26 Non controlling interests**

| | Company | |
|---|---|---|
| | Jun-21 | Dec-20 |
| | N'000 | N'000 |
| As at 31 January | (113,391) | (124,025) |
| Share of prior year effect of implementtion of new standard | - | - |
| Share of current profit/(losses) | 11,958 | 10,634 |
| As at 30 Jun 2021 | (101,433) | (113,391) |

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

**27 Loans and borrowings**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | N'000 | N'000 | N'000 | N'000 |
| Unsecured at amortised cost: | | | | |
| Balance at the beginning | - | 440,078 | - | 440,078 |
| Addition | - | - | - | - |
| Interest expense | - | 7,982 | - | 7,982 |
| Part Liquidation | - | (437,372) | - | (437,372) |
| Interest paid | - | (10,688) | - | (10,688) |
| As at 30 Jun. 2021 | - | - | - | - |
| Current | - | - | - | - |
| Non-current | - | - | - | - |
| | - | - | - | - |

The existing bond was restructured to enable principal liquidation on a semi annual basis over the remaining years of the bond. A premium of 0.5% was agreed as premium increasing the interest on tranche 2 to 15.75%. Also, tranche 1 bond was completely paid off and all liabilities discharged accordingly.
The Trustees, (First Trustees Limited), maintain an account into which monthly remittances by the Company are made towards offsetting the biannual interest payments as well as repayment of the capital sum. The Company's cashflow is therefore not expected to be affected on maturity as repayment would have been fully provided for.

27b

**Company as a lessee**

The Group has lease contracts for Building and warehouse used in its operations. Leases of Warehouses generally have lease terms between 2 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets..

Set out below are the carrying amounts of right-of-use assets recognised

| | Group | Company |
|---|---|---|
| | N'000 | N'000 |
| **As at 1 January 2021 (restated)** | 908,317 | - |
| Additions (Note ...) | - | - |
| Depreciation expense | - | - |
| **As at 30 june, 2021** | 908,317 | - |

Set out below are the carrying amounts of lease liabilities (included

| | Group | Company |
|---|---|---|
| | N'000 | N'000 |
| **As at 1 January** | 1,245,324 | 1,246,116 |
| Additions | 43,617 | 46,944 |
| Accretion of interest | - | - |
| Payments | - | - |
| **As at 30 june, 2021** | 1,288,941 | 1,293,060 |
| | | |
| Current | - | - |
| Non-current | - | - |
| | 1,288,941 | 1,293,060 |

The following are the amounts recognised in profit or loss:

| | Group | Company |
|---|---|---|
| | 2020 | 2020 |
| | N'000 | N'000 |
| Depreciation expense of right-of-use assets | 0 | - |
| Interest expense on lease liabilities | - | - |
| **Total amount recognised in profit or loss** | - | - |

## Notes to the consolidated and separate financial statements
***For the period 30 June, 2021***

**28a Trade and other payables**

Trade and other payables comprise:

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | N'000 |
| Trade payables | 1,539,851 | 1,975,455 | 1,476,818 | 1,875,798 |
| Other payables | 3,155,541 | 2,436,711 | 3,037,161 | 2,349,312 |
| | **4,695,392** | **4,412,166** | **4,513,979** | **4,225,110** |

**28b Other payables**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Bond Interest Provisions | - | - | - | - |
| Management Support Agreement fee | - | - | - | - |
| VAT Payable | - | - | - | - |
| WHT Payable | - | 122 | - | 134 |
| Amount due to Government agencies | 485,012 | 365,738 | 475,438 | 357,475 |
| Concession fee; FAAN rental & service charge | 443,273 | 342,336 | 443,273 | 342,336 |
| Directors Retirement | 177,500 | 135,000 | 177,500 | 135,000 |
| Industrial Training Fund | 219,325 | 202,035 | 219,325 | 202,035 |
| Staff Participatory Scheme | 26,728 | 26,728 | 26,728 | 26,728 |
| Performance Bonus | 272,087 | 200,281 | 272,087 | 200,287 |
| Unclaimed Dividend | 528,843 | 625,567 | 528,843 | 625,567 |
| Other Accruals | 1,002,773 | 538,903 | 893,968 | 459,750 |
| | **3,155,541** | **2,436,711** | **3,037,161** | **2,349,308** |

Other Accruals include provisions made for Staff related benefits, Directors fee and other 3rd party sundry payables.

**29 Deferred income/revenue**

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Balance as at 1 January | 57,058 | 70,157 | 21,058 | 26,057 |
| Rent received during the year | 27,490 | 246,149 | 2,366 | 138,149 |
| Amount released to profit or loss | (99,277) | (259,248) | (99,277) | (143,148) |
| Balance at end of period | **113,107** | **57,058** | **10,544** | **21,058** |

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

**30 *Impairment losses***

The aging of trade receivables at the reporting date was:

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| Current | 476,247 | 459,888 | 473,187 | 456,828 |
| 1- 30 days | 143,792 | 66,775 | 125,034 | 48,017 |
| 31-60 days | 153,812 | 187,104 | 30,303 | 63,595 |
| 61-90 days | 133,626 | 88,795 | 124,867 | 80,036 |
| 91-180 days | 131,858 | 97,696 | 116,331 | 82,169 |
| 181-360 days | 17,785 | 126,965 | (29,510) | 103,033 |
| 360 days above | 1,314,437 | 1,113,922 | 1,242,262 | 1,112,637 |
| | **2,371,557** | **2,141,145** | **2,082,474** | **1,946,315** |
| Impairment | (844,902) | (844,902) | (825,796) | (825,796) |
| | **1,526,655** | **1,296,243** | **1,256,678** | **1,120,519** |

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

| | Group | | Company | |
|---|---|---|---|---|
| | Jun-21 | Dec-20 | Jun-21 | Dec-20 |
| | ₦'000 | ₦'000 | ₦'000 | ₦'000 |
| As at 1 January | 795,106 | 793,384 | 782,619 | 782,619 |
| Re-statement due to IFRS 9 adoption | - | - | - | - |
| Impairment recovered | - | - | - | - |
| Allowance for expected credit losses | - | 1,722 | - | - |
| As at 30 June, 2021 | **795,106** | **795,106** | **782,619** | **782,619** |

The impairment on trade receivables was in respect of receivables for which the Group has determined that there are objective indicators of impairment. Impairment losses have been recognised 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. Impairment loss on trade receivables is recognised in Statement of Comprehensive income.

## Notes to the consolidated and separate financial statements

***For the periodended 30 June, 2021***

**31 Liquidity Risk**

*Exposure to liquidity risk*

| | Jun-21 | Dec-20 |
|---|---|---|
| | N'000 | N'000 |
| Cash and cash equivalents (Note 22) | 1,249,261 | 835,529 |
| Debt instrument at amortized cost (Note 21) | 427,696 | 485,032 |
| Trade and other receivables (Note 19) | 2,900,182 | 2,542,958 |
| Total financial assets | 4,577,139 | 3,863,519 |
| Trade & Other payables (Note 28) | 4,695,392 | 4,412,168 |
| Loans and borrowings (Note 27) | - | - |
| Lease Liabilities | | |
| Total financial liabilities | 4,695,392 | 4,412,168 |
| Net cover | (118,253) | (548,649) |

The maturity profile of the Group's lease liabilites based on contractual undiscounted payments are disclosed as follows:

| | On demand | Within 1 year | 2-5years | > 5years |
|---|---|---|---|---|
| | N'000 | N'000 | N'000 | N'000 |
| Lease liabilities | 136,806 | 205,428 | 730,977 | 2,590,141 |

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 optimising 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.

**Securities Trading Policy**

In compliance with 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) **Nigerian 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.