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**THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ CAREFULLY.** IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION TO TAKE, PLEASE CONSULT YOUR STOCKBROKER, ACCOUNTANT, BANKER, SOLICITOR OR ANY OTHER PROFESSIONAL ADVISER FOR GUIDANCE IMMEDIATELY.

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**INVESTING IN THIS OFFER INVOLVES RISKS. FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED BY THE PROSPECTIVE INVESTORS, SEE "RISK FACTORS" ON PAGE 28**



## **SKYWAY AVIATION HANDLING COMPANY PLC**

### **INITIAL PUBLIC OFFERING**

**by way of an Offer for Sale Of**

# **406,074,000**

Ordinary shares of 50 kobo each

**at**

**₦4.65 per share**

**Payable in full on Application**

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**Application Opens:**

**Monday, 12 November, 2018**

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**Application Closes:**

**Wednesday, 19 December, 2018**

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**LEAD ISSUING HOUSE**



**VETIVA**  
CAPITAL MANAGEMENT LIMITED  
RC.485600

**JOINT ISSUING HOUSE**



**CORDROS**  
CAPITAL  
RC 600461

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THIS PROSPECTUS AND THE SECURITIES, WHICH IT OFFERS, HAVE BEEN CLEARED AND REGISTERED BY THE SECURITIES AND EXCHANGE COMMISSION ("THE COMMISSION"). IT IS A CIVIL WRONG AND CRIMINAL OFFENCE UNDER THE INVESTMENTS & SECURITIES ACT (NO. 29 OF 2007) (THE "ACT" OR "ISA") TO ISSUE A PROSPECTUS WHICH CONTAINS FALSE OR MISLEADING INFORMATION. INVESTORS ARE ADVISED TO NOTE THAT LIABILITY FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS PROVIDED IN SECTIONS 85 AND 86 OF THE ISA. THE CLEARANCE AND REGISTRATION OF THIS PROSPECTUS AND THE SECURITIES WHICH IT OFFERS DOES NOT RELIEVE THE PARTIES FROM ANY LIABILITY ARISING UNDER THE ACT FOR FALSE AND MISLEADING STATEMENTS CONTAINED HEREIN OR FOR ANY OMISSION OF A MATERIAL FACT IN THIS PROSPECTUS.

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**THIS PROSPECTUS IS DATED 05 NOVEMBER, 2018**

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## DEFINITIONS

Abbreviation	Name/Explanation
"Act" or "ISA"	The Investment and Securities Act. No. 29, 2007
"Admission"	The admission of the entire issued and fully paid up ordinary shares of the Company to trading on The NSE
"All Share Index"	The index, which tracks the prices of all stocks listed on The NSE
"Allotment"	The number of shares granted to each investor (following application for shares in the Offer) on the Allotment Date
"Allotment Date"	The date on which the allotment of the Shares is approved/cleared by SEC
"Application Form"	An application form for the Offer which must be completed and submitted to subscribe for the IPO in accordance with the Prospectus and any other instructions in the form
"Bbl"	Barrel (Unit of volume for crude oil and petroleum products)
"Board" or "Directors"	The board of directors of the Company, whose names are set out on page 11 of this Prospectus
"Business Day"	Any day other than Saturday, Sunday or official public holidays (declared by the Federal Government of Nigeria from time to time) on which banks are open for business
"BPE"	Bureau of Public Enterprises
"Bps"	Basis point (common unit of measure for interest rates)
"CAC"	Corporate Affairs Commission
"CAMA"	Companies and Allied Matters Act CAP C20 LFN 2004
"CBN"	Central Bank of Nigeria
"CHN"	Clearing House Number
"CSCS"	Central Securities Clearing System (CSCS) PLC
"Cordros Capital"	Cordros Capital Limited
"Daily Official List"	The official list published daily by The NSE containing information about all equity and debt securities quoted on the floor of The Exchange
"Federal Government" or "FGN"	The government of the Federal Republic of Nigeria
"GDP"	Gross Domestic Product
"GSE"	Ground Support Equipment
"IMF"	International Monetary Fund
"IPO"	Initial Public Offering
"ISAGO"	IATA Safety Audit for Ground Operations
"Issuing Houses"	Vetiva Capital Management Limited and Cordros Capital Limited
"LFN"	Laws of the Federation of Nigeria, 2004
"Mb/d"	Million barrels per day
"MON"	Member of the Order of the Niger
"MPR"	Monetary Policy Rate
"Naira" or "₦"	The Naira, or such lawful currency of the government of the Federal Republic of Nigeria, from time to time
"NBS"	National Bureau of Statistics
"Nigeria" or the "Country"	The Federal Republic of Nigeria
"Offer"	The offer for sale of 406,074,000 Ordinary Shares of 50 Kobo each in SAHCO at ₦4.65 per share

## DEFINITIONS

"Ordinary Shares"	Issued and fully paid up ordinary shares of 50 kobo each in the share capital of the Company
"Parties"	Professionals engaged in connection with the Offer
"PIB"	Petroleum Industry Bill
"PLC"	Public Limited Company
"Prospectus"	This prospectus issued by the Company in accordance with the Rules and Regulations of the Commission
"RA3 Validation"	3rd country European Union Aviation Security Validated Regulated Agent
"Receiving Agents"	any of the institutions listed on page 85 of this Prospectus, authorized to receive Application Forms/Monies from prospective investors for the Offer
"Receiving Banks"	Guaranty Trust Bank PLC and First Bank of Nigeria Limited
"Registrar"	First Registrars & Investor Services Limited
"SAHCO" or the "Company"	Skyway Aviation Handling Company PLC
"SEC" or the "Commission"	The Nigerian Securities and Exchange Commission
"Sifax" or "Sifax Group"	Sifax Shipping Company Limited
"Stockbrokers"	Sigma Securities Limited, Apel Asset Limited, APT Securities and Funds Limited, City-Code Trust & Investment Company Limited, Dynamic Portfolio Limited, Fortress Capital Limited, Planet Capital Limited, Pilot Securities Limited and Vetiva Securities Limited
"Skypower"	Skypower Aviation Handling Company Limited
"SSPA" or the "Agreement"	The Share Sale and Purchase Agreement dated 21 December 2009, among BPE (acting on behalf of the National Council on Privatisation), Prince Ade Babington-Ashaye, Skypower and SAHCO (previously Skyway Aviation Handling Company Limited) in respect of FGN's divestment of 100% equity stake in Skypower
"The NSE" or the "Exchange"	The Nigerian Stock Exchange
"USD" or "US\$"	United States Dollars, the lawful currency of the United States of America
"Vetiva Capital"	Vetiva Capital Management Limited

## **CORPORATE DIRECTORY OF SAHCO**

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**Registered Office Address:**

54 Warehouse Road  
Apapa  
Lagos

**Head Office Address:**

SAHCOL Complex,  
Cargo Terminal  
Murtala Muhammed International Airport  
P.M.B 21768 Ikeja  
Lagos

**Email:** [info@sahcol.com](mailto:info@sahcol.com)

**Tel:** +234 (0) 815 555 3455

**Website:**

[www.sahcol.com](http://www.sahcol.com)

DRAFT

## ABRIDGED TIMETABLE

Date	Activity	Responsibility
12 Nov 2018	Application List opens	Issuing Houses
19 Dec 2018	Application List closes	Issuing Houses
04 Jan 2018	Receiving Agents forward returns	Receiving Agents
28 Jan 2019	Forward Allotment proposal and draft newspaper announcement to the SEC	Issuing Houses
07 Feb 2019	Obtain SEC clearance of Allotment	Issuing Houses
08 Feb 2019	Disburse net Offer proceeds to Vendors	Receiving Banks
08 Feb 2019	Publish Allotment announcement	Issuing Houses
11 Feb 2019	Return excess/rejected monies	Issuing Houses/ Registrars
11 Feb 2019	Credit CSCS accounts of successful applicants	Registrars
1 Mar 2019	Admission of Shares to The NSE / Listing	Stockbrokers
1 Mar 2019	File Offer Post Completion/summary report with the SEC	Issuing Houses

*The dates given above are indicative only. The timetable has been prepared on the assumption that certain key events for the Offer will be achieved as stated. If not, then the dates of key events in the timetable may be subject to adjustment*

## SUMMARY OF THE OFFER

This summary draws attention to information contained elsewhere in this Prospectus. It does not contain all of the information you should consider in making your investment decision. You should therefore read this summary together with the more detailed information, including the financial statements elsewhere in this Prospectus.

<b>The Offer</b>	406,074,000 Ordinary Shares of 50 kobo each in Skyway Aviation Handling Company PLC
<b>Vendors</b>	Sifax Shipping Company Limited Barrister (Dr.) Taiwo Afolabi Mrs. Folashade Afolabi
<b>Lead Issuing House</b>	Vetiva Capital Management Limited
<b>Joint Issuing House</b>	Cordros Capital Limited
<b>Mode of Offer</b>	Offer for sale
<b>Offer Price</b>	₦4.65 per share
<b>Share Capital</b> (As at the Date of this Prospectus)	Authorised: ₦750,000,000.00 comprising 1,500,000,000 ordinary shares of 50 kobo each Issued and Fully Paid: ₦676,790,000.00 comprising 1,353,580,000 Ordinary Shares of 50 kobo each
<b>Purpose of the Offer</b>	The Offer is being undertaken to enable the Vendors divest 406,074,000 Ordinary Shares representing 30% of the entire issued and fully paid up ordinary shares of SAHCO in partial compliance with the terms of the SSPA (as approved by BPE).
<b>Use of Proceeds</b>	The net proceeds of the Offer, estimated at ₦1,834,737,675.27 (One Billion, Eight Hundred and Thirty Four Million, Seven Hundred and Thirty Seven Thousand, Six Hundred and Seventy Five Naira and Twenty Seven Kobo) after deducting the total cost of the Offer, estimated at ₦53,506,424.73 (Fifty Three Million, Five Hundred and Six Thousand, Four Hundred and Twenty Four Naira and Seventy Three Kobo) (representing 2.83% of the Offer), will be disbursed to the Vendors in consideration for the shares divested under the Offer.
<b>Payment Terms</b>	In full on application
<b>Minimum Application</b>	Minimum of 500 ordinary shares and multiples of 100 ordinary shares thereafter
<b>Offer Opening Date</b>	Monday, 12 November, 2018
<b>Offer Closing Date</b>	Wednesday, 19 December, 2018
<b>Market Capitalisation at Offer Price</b>	₦6,294,147,000.00
<b>Status</b>	The Ordinary Shares being offered for sale rank <i>pari passu</i> in all respects with the existing issued Ordinary Shares of the Company and also qualify as securities in which Trustees may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004.
<b>Quotation</b>	An application has been made to The NSE for the Admission to its Daily Official List, of 1,353,580,000 Ordinary Shares of 50 Kobo each representing the entire issued and fully paid up ordinary shares of SAHCO.
<b>Underwriting</b>	The Offer will not be underwritten

## SUMMARY OF THE OFFER

<b>Allotment</b>	<p>The shares being offered for sale will be allotted on the basis of equality between the three hundred and sixty (360) Federal constituencies in the Federation and the Federal Capital Territory. However, shares may be allotted from Federal constituencies with under-subscription to those with over-subscription.</p> <p>Subject to the above, Applicants shall be allotted the minimum subscription units as specified in the Prospectus and then the residual balance shall be pro-rated i.e. all Applicants would be allotted equal proportion of the amount applied for.</p> <p>Application for Ordinary Shares may be made via submission of physical application forms. However, Allotment will only be made electronically to the CSCS accounts of all allottees no later than 15 Business Days from the Allotment Date and no share certificates will be issued in connection with the Offer.</p> <p>Applicants are hereby advised to state the name of their stockbrokers as well as their CSCS account Number/ Clearing House Number in the space provided on the application form. Applicants who do not know their CSCS Account Number or their CHN should contact their stockbrokers. Applicants without CHN and CSCS accounts can open a stockbroking account through any of the stockbroking firms listed on page 85 of this document.</p>																																																																											
<b>Shares Reserved for Staff of SAHCO</b>	<p>10% of the shares being offered for sale will be reserved for staff of SAHCO (in accordance with section 4.2 of the SSPA and section 5 (3) of the Public Enterprises (Privatisation and Commercialisation) Act No. 28 of 1999) under an Employee Stock Ownership Plan to be set up and administered by a Trustee.</p>																																																																											
<b>Shareholding Structure</b>	<p>As at the date of this Prospectus, the 1,353,580,000 ordinary shares of 50 kobo each in the issued ordinary share capital of the Company are beneficially held as follows:</p> <table border="1" data-bbox="542 1152 1417 1331"> <thead> <tr> <th>SHAREHOLDER</th> <th>SHARES HELD</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Sifax Shipping Company Limited</td> <td>550,000,000</td> <td>40.6%</td> </tr> <tr> <td>Barrister (Dr.) Afolabi Taiwo</td> <td>503,580,000</td> <td>37.2%</td> </tr> <tr> <td>Mrs. Folashade Afolabi</td> <td>300,000,000</td> <td>22.2%</td> </tr> <tr> <td><b>Total</b></td> <td><b>1,353,580,000</b></td> <td><b>100</b></td> </tr> </tbody> </table>	SHAREHOLDER	SHARES HELD	%	Sifax Shipping Company Limited	550,000,000	40.6%	Barrister (Dr.) Afolabi Taiwo	503,580,000	37.2%	Mrs. Folashade Afolabi	300,000,000	22.2%	<b>Total</b>	<b>1,353,580,000</b>	<b>100</b>																																																												
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<b>Financial Summary</b> (Extracted from the Reporting Accountant's Report)	<table border="1" data-bbox="542 1371 1417 1745"> <thead> <tr> <th rowspan="3"></th> <th colspan="6">₦'Mn</th> </tr> <tr> <th>31 MARCH</th> <th colspan="5">31 DECEMBER</th> </tr> <tr> <th>2018</th> <th>2017</th> <th>2016</th> <th>2015</th> <th>2014<sup>1</sup></th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>REVENUE</td> <td>1,363</td> <td>4,856</td> <td>4,899</td> <td>4,464</td> <td>4,446</td> <td>4,083</td> </tr> <tr> <td>GROSS PROFIT</td> <td>636</td> <td>2,200</td> <td>2,497</td> <td>2,125</td> <td>2,338</td> <td>2,129</td> </tr> <tr> <td>PROFIT BEFORE TAXATION</td> <td>23</td> <td>126</td> <td>668</td> <td>142</td> <td>435</td> <td>718</td> </tr> <tr> <td>(LOSS)/PROFIT AFTER TAXATION</td> <td>(25)</td> <td>218</td> <td>897</td> <td>(70)</td> <td>636</td> <td>910</td> </tr> <tr> <td>TOTAL ASSETS</td> <td>23,268</td> <td>14,542</td> <td>14,812</td> <td>14,085</td> <td>13,646</td> <td>11,925</td> </tr> <tr> <td>TOTAL LIABILITIES</td> <td>8,975</td> <td>9,040</td> <td>9,527</td> <td>9,697</td> <td>9,188</td> <td>8,283</td> </tr> <tr> <td>SHARE CAPITAL</td> <td>425</td> <td>425</td> <td>425</td> <td>425</td> <td>425</td> <td>425</td> </tr> <tr> <td>TOTAL EQUITY</td> <td>14,293</td> <td>5,503</td> <td>5,285</td> <td>4,388</td> <td>4,458</td> <td>3,642</td> </tr> </tbody> </table>		₦'Mn						31 MARCH	31 DECEMBER					2018	2017	2016	2015	2014 <sup>1</sup>	2013	REVENUE	1,363	4,856	4,899	4,464	4,446	4,083	GROSS PROFIT	636	2,200	2,497	2,125	2,338	2,129	PROFIT BEFORE TAXATION	23	126	668	142	435	718	(LOSS)/PROFIT AFTER TAXATION	(25)	218	897	(70)	636	910	TOTAL ASSETS	23,268	14,542	14,812	14,085	13,646	11,925	TOTAL LIABILITIES	8,975	9,040	9,527	9,697	9,188	8,283	SHARE CAPITAL	425	425	425	425	425	425	TOTAL EQUITY	14,293	5,503	5,285	4,388	4,458	3,642
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<b>Indebtedness</b>	<p>The Company has no outstanding debenture, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.</p>																																																																											

<sup>1</sup> Restated



## SUMMARY OF THE OFFER

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### **Claims and Litigations**

As at 14 August, 2018, the Company is, in its ordinary course of business, involved in seven (7) cases of which three (3) were instituted by SAHCO and four (4) were instituted against SAHCO.

The aggregate amount claimed in the cases instituted by SAHCO is estimated at ₦259,707,590.58 (Two Hundred and Fifty Nine Million, Seven Hundred and Seven Thousand, Five Hundred and Ninety Naira and Fifty Eight Kobo) and US\$563,833.64 (Five Hundred and Sixty Three Thousand, Eight Hundred and Thirty Three United States Dollars and Sixty Four Cents).

The aggregate amount claimed against SAHCO is estimated at ₦3,902,649,870.10 (Three Billion, Nine Hundred and Two Million, Six Hundred and Forty Nine Thousand, Eight Hundred and Seventy Naira and Ten Kobo) and US\$1,024,218.38 (One Million, Twenty Four Thousand, Two Hundred and Eighteen United States Dollars and Thirty Eight Cents).

The Solicitors to the offer are of the opinion that none of the aforementioned cases will have any material adverse effect on the IPO; and they are not aware of any other pending and/or threatened claim or litigation, which may be material to the IPO.

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## THE OFFER

Copies of this Prospectus and the documents specified herein have been delivered to the SEC for clearance and registration.

This Prospectus is being issued in compliance with the provisions of the Investments and Securities Act No. 29 2007, the Rules and Regulations of the Commission and the Listings Requirements of The NSE and contains particulars in compliance with the requirements of the Commission and The Exchange, for the purpose of giving information to shareholders and the public with regard to the Initial Public Offer (by way of an offer for sale) of 406,074,000 ordinary shares of 50 Kobo each in SAHCO by Vetiva Capital Management Limited and Cordros Capital Limited. An application has been made to The Council of The Exchange for the admission to the Daily Official List of the entire issued share capital of SAHCO comprising 1,353,580,000 ordinary shares of 50 Kobo each. The Shares qualify as securities in which Trustees may invest under the Trustees Investments Act, (Cap T22) Laws of the Federation of Nigeria, 2004.

The Directors of SAHCO individually and collectively accept full responsibility for the accuracy of the information contained in this Prospectus. The Directors have taken reasonable care to ensure that the facts contained herein are true and accurate in all respects and confirm, having made all reasonable enquiries that to the best of their knowledge and belief there are no material facts, the omission of which make any statement herein misleading or untrue.

The Securities and Exchange Commission has approved the Issue, in respect of the public offering and the approval shall not be taken to indicate that the Commission recommends the public offering. The Commission shall not be liable for any non-disclosure on the part of the Company and takes no responsibility for the contents of the document, makes no representation as to its accuracy of completeness, and expressly disclaims any liability whatsoever arising from reliance upon the whole or any part of the contents of the Prospectus.



On behalf of

**SAHCO**  
RC 813022

**SKYWAY AVIATION HANDLING COMPANY PLC**

**INITIAL PUBLIC OFFERING**

**By way of an Offer for Sale Of**

**406,074,000**

**Ordinary shares of 50 Kobo each**

**at**

**₦4.65 per share**

**Payable in full on Application**

The Application for the Ordinary Shares being offered will open on Monday, 12 November, 2018 and close on Wednesday, 19 December, 2018.

### SHARE CAPITAL AND RESERVES OF THE COMPANY AS AT 31ST MARCH 2018

(Extracted from the Reporting Accountants' Report)

		₦'000
Authorized Share Capital	500,000,000 ordinary shares of ₦1.00 each	500,000.00
Issued and Fully paid	425,000,000 ordinary shares of ₦1.00 each	425,000.00
Equity	Share Capital	425,000.00
	Retained Earnings	5,052,589.00
	Revaluation Reserve	8,815,486.00
	<b>TOTAL EQUITY</b>	<b>14,293,075.00</b>

## DIRECTORS, AUDIT COMMITTEE MEMBERS AND OTHER PARTIES TO THE OFFER

DIRECTORS OF SKYWAY AVIATION HANDLING COMPANY PLC	
<b>CHAIRMAN</b>	<b>BARRISTER (DR.) AFOLABI TAIWO</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>VICE CHAIRMAN</b>	<b>BARRISTER CHIKE OGEAH</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>NON-EXECUTIVE DIRECTOR</b>	<b>OLUROPO OWOLABI</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>NON-EXECUTIVE DIRECTOR</b>	<b>MR. ARIYO OLUTOYE</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>NON-EXECUTIVE DIRECTOR</b>	<b>BARRISTER KAYODE FILANI</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>NON-EXECUTIVE DIRECTOR</b>	<b>CAPTAIN SHEHU USMAN IYAL</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>INDEPENDENT DIRECTOR</b>	<b>MR. ANOGWI ANYANWU</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>MANAGING DIRECTOR/CEO</b>	<b>MR. BASIL AGBOARUMI</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>EXECUTIVE DIRECTOR</b>	<b>MR. BABATUNDE AFOLABI</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>EXECUTIVE DIRECTOR</b>	<b>MRS. BOMA UKWUNNA</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>EXECUTIVE DIRECTOR</b>	<b>MR. OLANIYI ADIGUN</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>COMPANY SECRETARY</b>	<b>OMOLARA BELLO</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos

**DIRECTORS, AUDIT COMMITTEE MEMBERS AND OTHER PARTIES TO THE OFFER**

<b>AUDIT COMMITTEE MEMBERS</b>	
<b>VICE CHAIRMAN</b>	<b>BARRISTER CHIKE OGEAH</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>NON-EXECUTIVE DIRECTOR</b>	<b>CAPTAIN SHEHU USMAN IYAL</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>INDEPENDENT DIRECTOR</b>	<b>MR. ANOGWI ANYANWU</b> SAHCOL Complex, Cargo Terminal Murtala Muhammed International Airport Ikeja, Lagos
<b>PROFESSIONAL PARTIES</b>	
<b>LEAD ISSUING HOUSE</b>	<b>VETIVA CAPITAL MANAGEMENT LIMITED</b> Plot 266B, Kofo Abayomi Street Victoria Island Lagos
<b>JOINT ISSUING HOUSE</b>	<b>CORDROS CAPITAL LIMITED</b> 70, Norman Williams Street Ikoyi Lagos
<b>SOLICITORS TO THE OFFER</b>	<b>ALUKO &amp; OYEBODE</b> 1, Murtala Muhammed Drive (formerly Bank Road) Ikoyi Lagos
<b>SOLICITORS TO THE COMPANY</b>	<b>KOYA &amp; KUTI SOLICITORS</b> 5 <sup>th</sup> Floor St. Peter's House 3, Ajele Street Lagos
<b>JOINT STOCKBROKERS</b>	<b>SIGMA SECURITIES LIMITED</b> 11, Awolowo Road Ikoyi Lagos  <b>APEL ASSET LIMITED</b> 8, Alhaji Bashorun Street Off Norman Williams Crescent South-West Ikoyi, Lagos  <b>APT SECURITIES AND FUNDS LIMITED</b> 3rd & 5th Floors Church House 29 Marina Lagos  <b>CITY-CODE TRUST &amp; INVESTMENT COMPANY LIMITED</b> 1 <sup>st</sup> Floor Investment House 21/25 Broad Street, Marina Lagos  <b>DYNAMIC PORTFOLIO LIMITED</b> Dynamic House 20, Campbell Street, Victoria Island Lagos

**DIRECTORS, AUDIT COMMITTEE MEMBERS AND OTHER PARTIES TO THE OFFER**

	<p><b>FORTRESS CAPITAL LIMITED</b> 4th Floor ED Building, 47 Marina Lagos</p> <p><b>PLANET CAPITAL LIMITED</b> 3rd Floor St. Peter's House Off Broad Street, 3, Ajele Street Lagos</p> <p><b>PILOT SECURITIES LIMITED</b> 3, Strong Tower Terraces 41a Sobo Arobiodu Street Ikeja, Lagos</p> <p><b>VETIVA SECURITIES LIMITED</b> Plot 266B, Kofo Abayomi Street Victoria Island Lagos</p>
<b>AUDITORS</b>	<p><b>GBENGA BADEJO &amp; Co</b> 24, Ladipo Oluwole Street Off Adeniyi Jones Avenue, Ikeja Lagos</p>
<b>REPORTING ACCOUNTANTS</b>	<p><b>ERNST &amp; YOUNG</b> 10th Floor, UBA House 57, Marina Lagos</p>
<b>RECEIVING BANKS</b>	<p><b>GUARANTY TRUST BANK PLC</b> Plot 635, Akin Adesola Victoria Island Lagos</p> <p><b>FIRST BANK OF NIGERIA LIMITED</b> Samuel Asabia House 35 Marina Lagos</p>
<b>REGISTRAR</b>	<p><b>FIRST REGISTRARS &amp; INVESTOR SERVICES LIMITED</b> Plot 2, Abebe Village Road Iganmu, Surulere Lagos</p>

## THE CHAIRMAN'S LETTER

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The following is the text of a letter received by Vetiva Capital Management Limited and Cordros Capital Limited from Barrister (Dr.) Afolabi Taiwo, Chairman, Board of Directors of SAHCO:



SAHCOL Complex, Cargo Terminal  
Murtala Muhammed International Airport  
Ikeja, Lagos  
[www.sahcol.com](http://www.sahcol.com)

Monday, 05 November, 2018

**THE DIRECTORS,  
Vetiva Capital Management Limited**  
Plot 266B Kofo Abayomi Street  
Victoria Island  
Lagos

**THE DIRECTORS,  
Cordros Capital Limited**  
70 Norman Williams Street  
Ikoyi  
Lagos

Dear Sirs,

**SKYWAY AVIATION HANDLING COMPANY PLC: OFFER FOR SALE OF 406,074,000 ORDINARY SHARES OF 50 KOBO EACH AT ₦4.65 PER SHARE**

On behalf of the Board of Directors of Skyway Aviation Handling Company PLC, I am pleased to provide you with the following information in connection with the proposed offer for sale of 406,074,000 Ordinary Shares of 50 Kobo each in the equity capital of SAHCO. This Prospectus contains a summary of financial and general information relating to the Offer.

### **OVERVIEW OF SAHCO**

#### **History and Business of SAHCO**

SAHCO was incorporated as a private limited liability company under the name Skyway Aviation Handling Company Limited on 22nd April 2009 under the CAMA to carry on, inter alia, the business of aviation support services with principal activities spanning the provision of services including aircraft/ramp handling, cargo handling, passenger handling, premium lounge, aviation security and baggage reconciliation. The Company is a member of the Sifax Group.

In 2009, the Sifax Group, through SAHCO, acquired the Federal Government's 100% equity stake in Skypower, an aviation ground handling services entity, under the privatization programme of the Nigerian Government. Following the acquisition, Skypower became a wholly owned subsidiary of SAHCO, with its operations taken on by the Company.

Today, SAHCOL is an ISAGO (IATA) and RA3 (European Union) certified Ground Handling Company with significant investments in state-of-the-art aviation ground handling apparatus, manpower trainings and excellent customer services with recently completed ultra-modern cargo import and export warehouses. The Company is further determined to continually deliver excellent and speedy Aviation Ground Handling services to the fulfillment of its customers and the Aviation industry in general.

SAHCO recently undertook a business combination with Skypower wherein both companies were consolidated with SAHCO as the surviving entity, which became effective on 02 October, 2018. The Company was subsequently converted to a public limited liability company on 05 October 2018.

The authorised share capital of the Company is ₦750,000,000.00 comprising 1,500,000,000 ordinary shares of 50 Kobo each. The entire issued and fully paid up share capital of the Company has been registered with the Securities and Exchange Commission in compliance with provisions of the ISA.

## THE CHAIRMAN'S LETTER

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### Core Values

SAHCO is committed to offering world-class services built on professionalism, integrity, customer satisfaction, efficiency and distinctive business conduct, while being socially responsible to the society. The core values of the Company are as stated below:



### Service Offerings

SAHCO offers a comprehensive portfolio of aviation handling services to its customers.

#### **Passenger Handling**

SAHCO provides well-structured value-added customer friendly passenger handling services spanning check-in counter services (including automated check in, baggage tracking, gate/boarding, special (disabled) passenger assistance, transfer/interline services), pre-boarding and post-boarding departure support as well as arrival assistance.

#### **Ramp Handling**

SAHCO offers speedy and efficient first-class ramp handling services, across its network and spread over major Nigerian airports, designed to accommodate all international accepted standards on ground support and baggage services with experience in handling various types of aircrafts, from bulk-loaded narrow-bodied to large freighters.

The Company's ramp handling services includes but is not limited to the provision of Ground Power Unit, Aircraft Push Back, Unit Load Device Control, Aircraft Loading/Unloading, Baggage Sorting, Cabin Cleaning, Crew Transport, Water/Toilet services, Air-starter Unit, Air-conditioning Unit, Baggage /Cargo Scanning. SAHCO provides ramp handling services to scheduled, non-scheduled and charter operations.

#### **Cargo Handling**

SAHCO's Cargo handling services cover all general cargo and warehousing services including: warehousing, cargo processing, palletization/build-up and bulk break, cargo documentation, liaison with customs, and freezing and cooling facilities for perishables. The Company also provides bonded import, courier and export warehousing services in Lagos, Port Harcourt, Kano and Abuja as well as operates a fully automated cargo warehouse, which ranks with the best globally.

The Company provides its cargo handling services at various dedicated and shared cargo terminals across major Nigerian airports and can adequately service all types of cargo aircrafts and freighters with facilities built up with the best available technology (equipment and logistic systems).

#### **Aviation Security**

Aviation Security is a specialized service line which is focused on the provision of robust security solutions for airlines which includes control and supervision of access to check-in zones, security questioning/profiling, protection and control of luggage chain from check-in to aircraft, reconciliation between boarding pass and passenger identification, screening of hand luggage and magnetic detection for passengers, supervision of aircraft zones - loading/offloading of aircraft, reconciliation of passengers and luggage in transfer, verification of passenger credentials is an important pre-requisite for passenger admissibility aboard flights and passport control/detection of fake international passports/travel documents.

#### **Baggage Reconciliation**

Baggage reconciliation provides holistic baggage management services to airlines as well as to passengers on behalf of client airlines and is dedicated to ensuring the safety of passengers' baggage. The Company offers reliable baggage tracking (lost and found) services which seeks to allow ease in storage, documentation and proper release of baggage to passengers, with cases such as Property Irregularity Report (PIR), unpicked baggage and short landed baggage.

## THE CHAIRMAN’S LETTER

Baggage storage and retrieval services offered span: baggage claims processing, transit baggage handling, baggage tracking services, diplomatic mail handling, tag-less baggage reconciliation, short-landed baggage handling, passenger baggage release management, Property Irregularity Report (PIR) processing, limited release tags and baggage management and mis-picked, unpicked and damaged baggage handling.

### Charter Operations

SAHCO is the sole handler of the Christian pilgrimage while it co-handles the Muslim (Hajj) pilgrimage operations in Nigeria. SAHCO’s state-of-the-art equipment and wide network spread across the country makes it the unique Ground Handling Company of choice to airlines in the discharge of important pilgrimage airlift logistics.

### Premium Lounge

SAHCO provides exclusive lounge services to business class passengers through its world class premium lounge. The Company’s business class lounge facilities include high speed internet access, invigorating cool shower, exquisite, tastefully garnished cuisine, luminous lighting with bright colour scheme and a relaxed, serene and conducive atmosphere.

### Geographical Reach

SAHCO has operations across Nigeria with significant presence in all commercially operated airports within Nigeria, with a wide network efficiently covering four (4) operational regions (central, northern, eastern, western) as highlighted in the map below:



### Affiliated International Bodies

SAHCO is a member of the following international bodies:

IATA GROUND HANDLING COUNCIL (IGHC)	AIRPORT SERVICES ASSOCIATION (ASA)	IATA SAFETY AUDIT FOR GROUND OPERATION (ISAGO)	RA3 VALIDATION
			



## THE CHAIRMAN'S LETTER

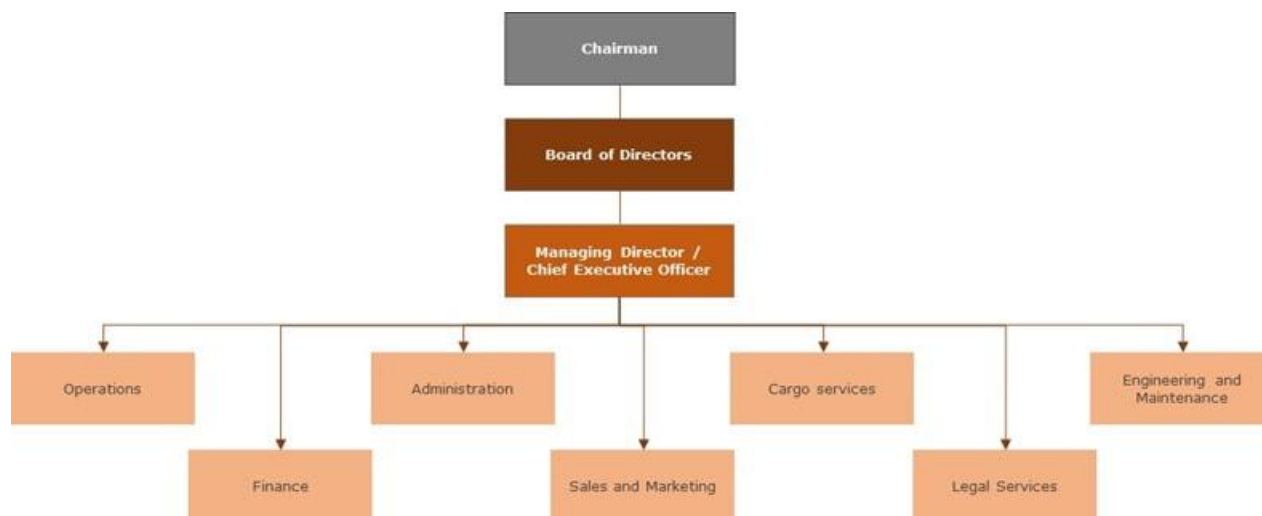
### Awards & Recognitions

SAHCO's impact in the Nigerian aviation ground handling sector is evidenced by its array of awards and recognitions received from 2009 till date in recognition of the Company's strides and innovation in building a brand in line with global standards. The awards (listed below) are a confirmation of the company's vision to be the leading provider of Passenger, Ramp and Cargo Handling Services in West Africa.

- Most Efficient Ground Handling Company (2018) - Association of Foreign Airlines and Representatives in Nigeria (AFARN) Awards
- Best Aviation Handling Company (2017) - Grassroots Newspapers Publishers Network Award
- Aviation Handling Company of the year (2016) - Nigerian Transport Awards
- African Best Passenger Handling services provider for the year (2016) - Institute of brand management of Nigeria
- Most Turnaround Aviation Cargo Handling Concessionaire (2015) - Transport Development Excellence Awards (Trans Quest).
- Outstanding Terminal Operator (2015) - World Customs Organization Award of Merit
- Aviation Handling Company of the year (2015) - Nigerian Transport Awards
- Outstanding Aviation Provider in Africa of the year (2014) - Leadership Award for Africa Archives
- Most Improved Aviation Handling Company of the year (2013) - Transport Day Newspaper
- Most Proactive and Customer Friendly Ground Handling Services Operator (2013) - League of Airports and Aviation Correspondents (LAAC)
- Best company in Ramp, Passenger and Hajj Handling Services in Nigeria of the year (2012)
- Best Air Cargo Handling Company of the year (2012) - Transport Stakeholders Award)
- Airport Passenger Handling Company of the year (2009) - Nigeria Aviation Awards ("NIGAV")

### OPERATIONAL STRUCTURE

The operational structure of SAHCO is specifically designed to achieve maximum efficiency. The Company's Board of Directors, led by the Chairman sets the strategic direction for the Company and provides general oversight over the Company's management/operations while the statutory responsibilities for the day-to-day management of SAHCO are performed through the office of the Managing Director/Chief Executive Officer and key divisions - Operations, Finance, Administration, Sales & Marketing, Cargo services, Legal services and Engineering and Maintenance.



## THE CHAIRMAN'S LETTER

### KEY CLIENTELE

SAHCO is tailored towards meeting the needs and expectations of its numerous clients. SAHCO handles international scheduled and adhoc operators, and domestic airlines operating in the operational regions.



### PREMISES

The head office of SAHCO is situated at Skyway Aviation Handling Company Limited Complex, Cargo Terminal, Murtala Muhammed International Airport, Ikeja, Lagos.

### COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

SAHCO recognizes the importance of strong corporate governance for effective management and control of the Company's business with a view to delivering long-term business prosperity and accountability to its shareholders and is fully committed to implementing best practice corporate governance standards.

The Company is currently implementing the principles set out in the SEC's Code of Corporate Governance and has structured its internal processes and business practices to ensure that Shareholders are protected and value is maximized.

### Board Composition and Independence

The Board of Directors of SAHCO establishes corporate policies, sets the strategic direction for the Company and provides general oversight over the Company's management/operations with the aim of ensuring efficient deployment and management of SAHCO's resources whilst driving sustainable long-term growth.

The Board is currently made up of eleven (11) members comprising of a Non-Executive Chairman, six (6) Non-Executive Directors (inclusive of one (1) Independent Director) and four (4) Executive Directors (inclusive of the Managing Director/CEO).

The Company's Board is led by the Non-Executive Chairman and is composed of individuals with records of achievement in their respective fields. The Board members are professionals and entrepreneurs with vast experience and credible track records. The Board is expected to meet regularly (at least four (4) times in each financial year) to set broad policies for the Company's business and operations ensuring that actions are taken on a fully informed basis, in good faith with due diligence and care and in the best interest of the Company and its shareholders.

## THE CHAIRMAN'S LETTER

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Responsibilities of the Board are well defined, and the Board is not dominated by one individual. The position of the Chairman is separate from that of the Managing Director/CEO and the Chairman is not involved in the day to day operations of the Company.

### Board Committee

To enhance corporate governance, Board sub-committees are constituted to discuss broad policies for the Company's business and operations, help the Board properly assess management reports, proposals, carry out oversight functions and make recommendations to the main Board. Further to this, the Board of Directors constituted the following committees through which the Board's oversight functions are to be performed:

#### Board Audit Committee

The Committee acts on behalf of the Board of Directors on financial reporting, internal control and audit matters. Decisions and actions of the Committee are presented to the Board for approval/ratification.

#### Statutory Audit Committee

The Committee acts on behalf of the Company on all audit matters. Reports and actions of the Committee are presented to the shareholders at the Annual General Meeting.

#### Board Governance and Nominations Committee

The Committee acts on behalf of the Board of Directors on all matters relating to the workforce.

#### Board Strategic Planning and Finance Committee

The Committee acts on behalf of the Board of Directors on all matters relating to strategic planning and financial management, and reports to the Board for approval/ ratification.

### Whistle blowing process

The Company is committed to fair and ethical business practices with transparency and integrity. Hence, SAHCO has a clear whistle blowing policy that ensures all employees and prospective applicants, contractors, agents, partners, bankers, other service providers, suppliers, shareholders, host community and the general public are given a channel through which all matters suspected of involving anything illegal, unethical, harmful and or improper can be reported. All matters reported are accepted and treated with confidentiality of the whistle blower's identity and rights.

The ultimate aim of the policy is to ensure efficient service to customers, good corporate image and business continuity in an atmosphere compliant with best industry practice.

### Complaints Management Policy

SAHCO is committed to providing high standards of services for its shareholders including a platform for efficient handling of shareholders' complaints and enquiries, enabling shareholders to have shareholder related matters acknowledged and addressed, providing sufficient resources to ensure shareholders' complaints and enquiries are dealt with adequately, in an efficient and timely manner and facilitating efficient and easy access to information.

The Company has therefore formulated a Complaint Management policy designed to ensure the complaints and enquiries from its shareholders are managed in a fair, impartial, efficient and timely manner. Furthermore, this policy has been prepared in recognition of the importance of effective engagement in promoting shareholders/investors' confidence in the Company.

This policy sets out the broad framework by which SAHCO and its Registrar will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for shareholders of the Company to provide feedback on matters that affect shareholders. This policy only relates to the Company's shareholders and does not extend to its customers, suppliers or other stakeholders.

### Insider Information Policy

The Company has a policy on insider information and prohibition of Insider dealings as required by rules and regulations and the policy has been made publicly available to all stakeholders.

SAHCO's Insider Information policy is to generally ensure the board members, employees and its external stakeholders who have knowledge of confidential and potentially price sensitive information are aware of the prohibition imposed by law against using, disclosing (other than in the normal course of

## THE CHAIRMAN'S LETTER

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the performance of their duties) or encouraging transactions in securities on the basis of such inside information. In addition to obligations imposed by law, SAHCO wants board members, employees and external stakeholders to respect the safeguarding of confidential information and potentially price sensitive information.

### PROFILE OF BOARD OF DIRECTORS AND KEY MANAGEMENT TEAM

#### Board of Directors

- **Barrister (Dr.) Afolabi Taiwo** - Chairman

Barrister (Dr.) Taiwo Olayinka Afolabi is a law graduate of the prestigious University of Lagos and was later called to the Nigerian Bar in 2009. He subsequently obtained a Masters' degree in International Law and Diplomacy from the same university in 2014.

Dr. Afolabi commenced his career as a young manager in Shipping Operation and Port Management at Nigerian Express Agencies Limited before travelling to study Shipping Management, following which he worked with the same Company as Head of Operations. He left Nigerian Express Agencies Limited in 1988 to start his own company- SIFAX Nigeria Limited, which has grown over the years to become a leader in ports, shipping and bonded terminal operation in the shipping and maritime services sector. Today, SIFAX Group, under the leadership of Dr. Afolabi, is one of Africa's fastest growing multinational corporations with diverse investments in Maritime, Aviation, Haulage & Logistics, Oil & Gas, and Hospitality, amongst others and operates globally with presence in the United States, United Kingdom, Ghana, South Africa, Holland, Belgium, Morocco, Spain and Djibouti.

Dr. Afolabi is the Chairman of the Board of Directors of Skyway and the Group Executive Vice Chairman/CEO of Sifax Group. He is a seasoned businessman and investor with diverse interests in various sectors of the economy and is also the Chairman of Mac-Folly Hospitality Limited and Ocean & Cargo Terminal Services Limited.

Dr. Afolabi is an Icon in the Nigerian maritime sector and was one of the frontline advocates of the local content initiatives and indigenouse participation in Nigeria shipping business which has continued to create jobs and opportunities and led to his conferment with a Degree of Doctor of Philosophy in Business Administration by Cornerstone University and Theological Seminary, Jerusalem, Israel and USA. In addition, he has been conferred with a number of honorary degrees including Doctor of Technology (Honoris Causa) by Ladoke Akintola University of Technology, Ogbomoso in April 2008, Doctor of Arts (Honoris Causa) by the European-American University, Dominica in July 2009 and Doctor of Arts (Honoris Causa) by the Common Wealth University, Belize in July 2010.

He is a seasoned maritime consultant, who has attended several courses, seminars and workshops on ports operation and management and other maritime courses both locally and overseas. He is a Fellow of various Institutes, amongst which are: The Nigerian Institute of Financial Management (FIFM), The Nigerian Institute of Freight Forwarders of Nigeria (FIFF), The Certified Institute of Shipping (CIS), The Nigerian Institute of Shipping (NIS), Port & Terminal Management Academy of Nigeria (of which he is also the Chairman), The Certified Board of Administrators of Nigeria (CBAN), The Nigerian Society of Maritime Researchers, The Chartered Institute of Arbitrators Nigeria and Institute of Directors (IOD) Nigeria.

Dr. Afolabi was appointed on 1st July 2010 as the Honorary Consul of the Republic of Djibouti at the Federal Republic of Nigeria with jurisdiction over the whole territory of the Federal Republic of Nigeria and full power and authority by the President of the Republic of Djibouti due to his contributions to the development of co-operation between Nigeria and the Republic of Djibouti. He is currently the President of the Nigerian Association of Consuls.

In recognition of his outstanding meritorious virtues and contribution towards the development of Nigerian economy, he was conferred with the prestigious honour of Member of the Order of the Niger (MON) on the 22nd of July 2010 by His Excellency, Dr. Goodluck Ebele Jonathan, GCFR, former president of the Federal Republic of Nigeria. Dr. Afolabi was elected as Regional Chairman of Hon. Consuls for West Africa comprising of 17 countries as well as Member of the FICAC Legal Committee at the meeting of the Board of The World Federation of Consuls (FICAC) held in 2013. In addition, he was also awarded African Industrialist of the Year at the African Achievers Awards held in 2013 as an acknowledgement for the unique work he is doing in his chosen field.

Dr. Afolabi has been a recipient of several awards bestowed on him and his organisation by many prestigious institutions in recognition of his hard work, deep sense of corporate social responsibilities, meritorious service and philanthropic gestures to the maritime industry and the society at large.

## THE CHAIRMAN'S LETTER

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- **Barrister Chike Ogeah – Vice Chairman**

Chike Ogeah is a 1983 graduate of Psychology and a 1988 graduate of Law, both from the University of Lagos and was later called to the Nigerian Bar in 1990. After practicing as a Legal Practitioner for a number of years with Sofunde, Osakwe, Ogundipe & Belgore (Legal Practitioners), he started his own Law practice, Ogeah & Co.

With a keen interest in Governance and International relations, Mr. Ogeah moved to the Presidency and worked in the National Planning Commission, in the capacity of Special Assistant to two Chief Economic Advisers to the President. He later worked as the National Coordinator of the successful, States Economic Empowerment Development Strategy (SEEDS). Thereafter, he worked as a Facilitating Consultant in the Office of the Millennium Development Goals also within the Presidency.

In 2006, he was appointed as Managing Director/Chief Executive Officer of Skypower, a position he held for four (4) years and judiciously handled the privatisation of Skypower in 2010. In 2011, he was called upon to serve as the Commissioner for Information for Delta State under the Dr. Emmanuel Uduaghan administration, a position he held adeptly and successfully till May 2015.

Barrister Ogeah has attended numerous courses and workshops worthy of note, both locally and internationally and brought his expertise to bear, in all corporate and government positions held throughout his career. He is Chairman and Director of several companies and a member of several professional bodies. He is presently the Vice-Chairman of SAHCO. He is also a Director of Paelon Memorial Clinic, Victoria Island, Lagos.

- **Dr. Oluropo Owolabi – Non-Executive Director**

Dr. Oluropo Owolabi is a Fellow of the Institute of Transport Administration of Nigeria and the African Institute of Enterprise Development and management. He holds a Higher National Diploma and a Diploma in Airline Management obtained in 1970 and 1978 respectively with specialization in Passenger and Ground Handling Services. He is also a graduate of Lufthansa School of Transport and Aviation (2003) and has a Doctorate degree in Sciences from the Commonwealth University, Belize (2015).

Dr. Owolabi has attended various trainings, amongst which are International Air Transport Association (IATA) Passenger and Skill Development, Management Communication and Leadership and Airport Management. He was also part of series of seminars in Passenger, Ticketing, Customer Services, Ground Handling and Airport Management.

Dr. Owolabi started his career at the erstwhile national carrier, Nigerian Airways Limited and had his first major assignment with the airline in 1978, as a team leader vested with the responsibility of reorganizing the airline's operations in the United Kingdom. As a result of his outstanding performance, he was retained in the United Kingdom for a period of nine months. In 1981, Dr. Owolabi became the Nigerian Airways District Manager in Rome, Italy, a position he held till 1986 when he was drafted to head the airline's operations at the Domestic wing of the Murtala Muhammed Airport, Lagos. In 1987, Dr. Owolabi was moved to the International wing of the Murtala Muhammed Airport as District Manager, where he brought his vast knowledge and experience to bear in the formulation of the current security arrangement in Nigeria Airports, having served as a member of the formulating committee. In 1989, Dr. Owolabi was transferred to New York as the General Manager, Nigeria Airways, Canada and United States of America. In 1997, he headed the Task Force for revitalization and streamlining of the Nigeria Airways Operations worldwide aimed at returning the airline to profitability.

On October 1, 1999, Dr. Owolabi became the General Manager of Skypower, then a subsidiary of the Nigerian Airways. At the helm of affairs of Skypower between 1999 and 2003, Owolabi propelled the company into greater heights which included a reposition of the company for more improved service delivery through the acquisition of modern handling equipment, which led to rise in volume of operations, while the confidence, support and patronage of customers was also increased.

Dr. Owolabi has received many honours and awards, for his sheer resilience, astute business acumen, innovative skills, corporate excellence, and innovative approach to corporate turnaround. He has excelled in his chosen field of endeavor and has contributed immensely to the growth and development of the aviation sector.

- **Ariyo Olutoye - Non-Executive Director**

Ariyo Olutoye graduated from Brunel University, Oxbridge, England with a BEng (Hons.) Electrical Electronics Engineering in 1995 and further obtained an MBA from the Henley Business School in 1997.

## THE CHAIRMAN'S LETTER

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Mr. Olutoye has worked in directorial positions in several organization such as Atlantis Global Ltd., Global Apex Ltd., Bbq Uk Ltd, Dustin Huffman Supply Solutions UK Ltd., over the course of two decades and is currently a member of the following organisations: The African Business Leaders Forum, Commonwealth Business Council, IEEE (Institute of Electrical and Electronics Engineers), Chartered Management Institute, UK, and Board of Trustees - Institute of Logistics Management.

- **Barrister Kayode Filani - Non-Executive Director**

Kayode Oladipupo Filani Kayode graduated from the University of Lagos in 1991 with LL.B (Hons.) degree. He was admitted into the Nigeria Law School in 1991, finished in 1992 with a B.L Degree and was subsequently called to the Nigerian Bar in 1992.

He started his profession as a lawyer with FAO Chambers in the year 1993 and was there till 2002 as principal partner when he decided to set up his own law firm in Lagos and Abuja with a property section as subsidiary of the law firm. Mr. Filani is a member of both the Nigerian Bar Association and International Bar Association and has, since his call to the Nigerian Bar over 20 years ago, been involved in a lot of ground breaking litigations which have taken him through all the courts of competent jurisdictions as well as general commercial practice.

He has been in active property and corporate practice and his vast areas of expertise include but not limited to company and commercial Law, Energy Law, Land Law, Aviation and Insolvency Law. He currently sits on the Board of various companies which include Skyway, KFA Investment and Property Company Limited, UK Jifex Nigeria Limited.

- **Captain Shehu Usman Iyal – Non-Executive Director**

Shehu Iyal is a 1977 graduate of the School of Basic Studies, Ahmadu Bello University (ABU) Zaria. He also attended Nigeria College of Aviation Technology, Zaria (formerly Nigerian Civil Aviation Training Centre, Zaria) in 1982 and was sponsored by the college to Rogers Aviation, Bedford, in the United Kingdom where he obtained Assistant Flying Instructor Rating (Procedures) in 1982. He subsequently left to the Air Wing of the Nigeria Police Force. He is an alumnus of London Business School, where he studied Aviation Management.

Captain Shehu holds a Commercial Pilot License and Private Pilot License which has culminated in an extensive flying experience of over 3000 hours including fixed-wing and rotary-wing aircraft. He started his career at the Nigeria College of Aviation Technology, Zaria from where he joined the Air Wing of the Nigerian Police Force. He undertook various trainings in both rotary (helicopters) and fixed wing (airplanes) in America and Europe and was subsequently appointed as pioneer Commander of Air Border Patrol Unit, Kaduna of the Ministry of Internal Affairs in 1987. After his graduation from London Business School, he was seconded to the Office of the National Security Adviser (NSA) in the Presidency. Shehu is currently the Managing Director/Chief Executive Officer of AFRI-AIR international Ltd, a Charter /Aviation Handling Company and also offers Aviation Consultancy Services, which he started in 2001.

In recognition of his exemplary contribution to the aviation industry, he was appointed Special Assistant to former President Olusegun Obasanjo on Aviation Matters where he rose to the post of Senior Special Assistant in 2003 and subsequently served two (2) successive Nigerian Presidents during which time he was Chairman, Presidential Implementation and Monitoring Committee (PIMC), Hub development of the Nnamdi Azikiwe International Airport and Presidential Committee on Improvement of Airport Security and Drug Related Problems. He was also a Board Member of the National Hajj Commission of Nigeria (NAHCON) and Chairperson of its Aviation Committee.

- **Anogwi Anyanwu – Independent Director**

Anogwi Anyanwu graduated from the University of Nigeria Nsukka as a Federal Government Scholar and the best graduating student in 1984. He also attended the Federal University of Technology, Owerri where he obtained Masters of Banking and Finance (MBF) in 1999. He is an alumnus of the Pan-Atlantic University (Lagos Business School) and hold the Certificate of Business Excellence from Columbia Business School (2015). He is a Fellow of the Institute of Chartered Accountants of Nigeria and Honorary Senior Member, Chartered Institute of Bankers of Nigeria.

Mr. Anyanwu commenced his career with Deloitte Adetona Isichei & Co (Chartered Accountants) where he worked from 1985 to 1989 and joined Ecobank Nigeria PLC where he rose to the position of Deputy Manager before leaving to the erstwhile Citizens International Bank PLC where he worked from 1993 to 2006. He subsequently worked at Spring Bank PLC till 2009 when he left as Executive Director to Mainstreet Bank Limited where he was Executive Director, Operations and Information Technology. He is currently the Chief Executive Officer of Minds Hrewd Limited, a position he has held since January 2015.

## THE CHAIRMAN'S LETTER

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Mr. Anyanwu has attended numerous courses and workshops worthy of note, both locally and internationally and is a recipient of several awards and recognitions. He is currently the Chairman of Sprout Books Limited and a Director of Teresann Nig. Limited.

- **Agboarumi Basil** – Managing Director/CEO

Agboarumi Basil obtained a National Diploma in Mass Communications from Federal Polytechnic, Auchi in 1993 and a Higher National Diploma in Mass Communication from Federal Polytechnic, Oko in 1996. He also attended the Lagos State University where he earned a Masters' in Communications Studies in 2008 as well as the School of Media & Communications of the Pan-Atlantic University, Lagos where he received a certificate in Creative Design & Digital Communication (2010).

Mr. Agboarumi commenced his career with Auchi Polytechnic where he served as the Editor-in-Chief of the Think-Right Magazine as well as the Auchi Express. Between 1997 and 1999, he authored two books – "Borgu: Past, Present and Future" and "Attributes and Potentials of the National Parks". In 2000, he joined Skypower (then a subsidiary of the Nigeria Airways Limited) as the Head of Public Affairs Unit. Following the acquisition of Skypower by the Sifax Group and subsequent takeover of the company's operations by SAHCO, Basil was appointed as the Head of Corporate Communications. He is currently the Managing Director/CEO of SAHCO.

He is a Fellow of the Nigerian Institute of Public Relations and an Associate Member of the Advertising Practitioners Council of Nigeria. In 2014, Basil was the recipient of the "Special Recognition" award of the Nigerian Institute of Public Relations for his "distinct industry and outstanding contributions impacting positively on Nigeria's Reputation".

- **Babatunde Afolabi** - Executive Director, IT, Business Development & Strategy

Babatunde obtained a Bachelor of Science degree in Computer Engineering from the University of Ottawa, Canada in 2015.

Mr. Babatunde has extensive technical skills in Information Technology spanning programming languages, database, scripts, web designing, design tools and operating systems. He commenced his career as a User Interface/User Experience(UI/UX) developer at Kraneum Technology Boston, Massachusetts from 2012 to 2016 where he collaborated with design team members to define and develop new product concepts, performed minor software and interface testing, developed mobile applications and front-end for web applications demonstrating his mastery of different computer languages. During this time, he also undertook an Industrial Training with Sifax Shipping Limited from 2012 to 2013 where he assisted in the management of the IT Department, including database hardware maintenance and technical assistance. He subsequently worked with Sentinel Consulting Toronto, Canada from 2016 to 2017 as a Database Analyst following which he moved to Giatec Scientific, Ontario as a Quality Assurance ("QA") Analyst in 2017.

He has a number of personal projects including Chico Robot System (an environmental responsive real time system using Eclipse IDE, C, C++, and Microcontrollers); Intellishade Blind System (a responsive real time embedded system that responds to environmental factors using PHP, Python, Java, HTML5); MenuBook (a web application for reserving restaurant place and ordering on menu before arrival using different programming languages and technology platform) and Hawker (a mobile application used to control subscription and retail marketing using geofencing).

He has attended various aviation courses and conferences globally and brought his expertise to bear in positions held throughout his career.

- **Boma Ukwunna** - Executive Director, Cargo Services

Boma is a 1997 graduate of Mass Communication from Delta State University, Abraka. She is a Fellow of the Ports and Terminal Management Academy of Nigeria and Member Nigerian Institute of Shipping.

Boma has over eighteen (18) years combined cognate experience in the Maritime Industry, all of which has been within the Sifax Group. She commenced her career at Sifax in 2001 and served in several capacities within the Sifax Group including Group Head, Billing & Commercial at Sifax RoRo Terminal Apapa (2007 – 2010); Group Head Procurement (2010 – 2011); Special Assistant to the Group Executive Chairman on Operations matters (2011 - 2012) and Head of Administration, Ports and Cargo Services (2012 – 2013).

Immediately, prior to her move to SAHCO, she was the General Manager Sifax Bonded Terminal 'B' from 2013 to 2014. She is currently Executive Director, Cargo Services.

## THE CHAIRMAN'S LETTER

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- **Olaniyi Adigun** – Executive Director, Sales and Marketing

Olaniyi holds a B.Ed. in Economics which he obtained from the University of Port Harcourt in 1990. He also attended Lagos State University where he earned a Masters' degree in Business Administration (Marketing) in 1997.

He commenced his career in 1993 with Nigeria Airways Limited as Cabin Executive and eventually became a Marketing Officer within the Airline Sales and Marketing department. In 2001, he joined Skypower and was tasked with establishing the Marketing department of the Company. During his time at Skypower he functioned in several capacities including Station Manager, Domestic Operations, Regional Manager, Operations (West) and Head of Corporate Development.

Following the acquisition of Skypower and subsequent takeover of the company's operations by SAHCO, he was appointed General Manager, Sales and Marketing. He is currently Executive Director, Sales and Marketing.

- **Omolara Bello** - Company Secretary

Omolara Bello graduated from Olabisi Onabanjo University in 2003 and was called to bar in November 2005. She obtained an LLM in International and Commercial law from the University of Buckingham in 2007. She worked as an associate at Gans and Co Solicitors in the United Kingdom from 2009 to 2010. Following her return to Nigerian in 2011, she had a brief stint as an Auditor at the Internal Revenue Lagos State from 2011 to 2013.

Omolara joined Sifax Ports and Cargo Handling Services Limited in 2013 and served as pioneer Head of Claims. In 2018, she was appointed Company Secretary of SAHCO. She has participated in several local and international trainings and seminars and is a member of the Nigerian Bar Association.

### Management Team

SAHCO is managed by a team of seasoned professionals with complementary competencies and requisite skill set who leverage their wealth of experience to drive growth and ensure that the Company's strategic objectives and plans are robustly maximized. The Managing Director/Chief Executive Officer of the Company, Mr. Agboarumi Basil, is responsible for the day-to-day management of the Company and for making and implementing operational decisions. He is directly responsible to the Board of Directors. The following represent the Company's senior management team:

- **Emmanuel Olugbenga Okeowo** – Head, Operations

Emmanuel is a graduate of Government School of Technology Ijebu-Ode where he obtained a National Diploma in industrial machine technology in 1985.

He commenced his career in the Aviation industry in 1986 with Nigeria Airways where he served in several capacities such as Passenger Services Officer, Interline Officer, IATA Baggage Tracing Officer, Duty Officer, Ramp Turn- Around Coordinator and Load Control Officer. In 1999, he moved to Skypower and subsequently to SAHCO following the takeover of the Skypower's operations by the Company. During his time at SAHCO, Emmanuel has served in several management capacities with an excellent track record of delivering on his mandate. He was the Station Manager Domestic Airport, Lagos between 2011 and 2014; Senior Station Manager, Nnamdi Azikiwe International Airport, Abuja from 2014 to 2018. In 2018, he was appointed as Head of Operations of SAHCO and now works at the Company's head office in Lagos.

He has attended various trainings including Basic and advanced Ramp training, Certified IATA auditor, Initial Dangerous Goods certification as well as Load Control certification training in different categories of aircrafts.

- **Rotimi Omotoso** – Head, Finance

Rotimi holds a Higher National Diploma (HND) in Accountancy from Federal Polytechnics, Ado, Ekiti State (2001) and Bachelor of Science (B.Sc.) in Accountancy from Babcock University, Ilishan, Ogun State in 2017. He is a member of the Institute of Chartered Accountants of Nigeria.

Rotimi is an experienced Accountant with over ten years cognate experience garnered within the private and public sector and is currently the Head of Finance at SAHCO.

He started his career with African Steel Mills Nigeria Limited in February 2004, following which he moved to Ports and Cargo Handling Services Limited in 2007 where he rose to the position of Assistant Manager, Accounts. He joined the Ekiti State Government as a Senior Accountant in 2012 following which he rejoined the Sifax Group in 2015 and was subsequently transferred to SAHCO.



## THE CHAIRMAN'S LETTER

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- **Ibrahim Amuda Olatunji** – Head, Internal Control/Audit

Ibrahim possess eleven (11) years' experience in Accounts and Audit in both the Manufacturing and Maritime sectors. He obtained an Accounting degree from Ambrose Alli University, Ekpoma in 2004. He also holds a Masters' degree in International Business Management from Lagos State University which he earned in 2012.

Ibrahim was the Head of Internal Control/Audit for Ports and Cargo Handling Services (a member of the Sifax group) and eventually rose to become Group Head of Audit of Sifax. He was subsequently moved to SAHCO and is currently the Head of Internal Control/Audit at the Company.

He is a member of the Institute of Internal Auditors and also a member of the Professional Managers and Administrators of Nigeria (IPMA).

- **Christie Olohigbe Oseghale** - Head, Safety and Quality Assurance

Christie obtained a BSc. degree in Botany from the University of Benin in 1986 and further obtained PGDip. Education from University of Port Harcourt in 1988 as well as PG. Dip. Computer Science from University of Benin in 1991.

Christie has over seventeen years cognate experience within the aviation industry, starting out as a Cabin Executive in ADC Airlines in 1993. In addition to her role as Cabin Executive, she also acted as a Safety and Quality Officer, where she worked on improving processes and procedures as it affects both internal and external customers. In 2000, she joined Advertising Techniques Limited where she worked as a Client Services Manager till 2002. In 2003, Christie returned to ADC Airlines as the Quality Manager, a position she held until 2007.

She subsequently joined SAHCO in 2012 and currently works as Head, Safety and Quality Assurance.

- **James Oriowo** – Head, Engineering and Maintenance

James obtained a Bachelor of Engineering degree in Mechanical Engineering from Ondo State University, Ado-Ekiti in 1997 and subsequently commenced his career with CITECO Technical Engineering Company as a Mechanical Engineer.

In 2000, he joined Skypower as a Mechanical Engineer focused on the maintenance, repairs and servicing of Ground Support Equipments. He worked in various capacities within the Company and rose to the position of Regional Manager Maintenance (West). Following the takeover of Skypower's operations by SAHCO, he was appointed as the National Engineering Services Manager in 2010 and is currently the Head, Engineering & Maintenance.

James has obtained several local and international certifications in GSE maintenance from the United Kingdom, United States of America and Nigeria. He is also a member of the Nigerian Institution of Mechanical Engineers as well as the Chartered Institute of Public Diplomacy and Management. He also holds the Project Management Professional certification.

- **Yinka Afolabi Ogungbemi** – Head, Admin Services and Project

Yinka attended the University of Lagos where he earned a degree in Political Science in 2000. He also obtained a Masters in International Relations at the same University in 2004.

He joined Skypower as an Administrative Officer in 2006 and rose to become Head, Administrative Services. Subsequent to the takeover of the Skypower's operations by SAHCO, he was appointed Head of the Facility Department following which he was reappointed as Head, Administrative Services and Project in 2015. He is a member of the Institute of Administrative Managers of Nigeria.

- **Olaniyan Hamzat Bolarinwa** - Head, Billing and Credit Control

Olaniyan, holds a degree in Agric economics which he obtained from the University of Ilorin in 1997. He also holds an MSc. in Economics from the Lagos State University (2003). He is a fellow of Certified Institute of Shipping in Nigeria.

He commenced his career at Zartech Nigeria Limited where he worked from 2000 to 2006. He subsequently joined Sifax in 2006 and served in various capacities across different companies within the group. In 2009, he was transferred to SAHCO as the pioneer Manager, Billing/Documentation and rose to the position of Head, Billing and Credit Control.

- **Folorunso Elegbede** - Senior Manager, Human Resources

Folorunso obtained a degree in Political Science from the Lagos State University in 1999. He also holds an MSc. in Political Science with specialization in International Relations which he obtained from the University of Ibadan in 2006.

## THE CHAIRMAN'S LETTER

Folorunso is a licensed human resource practitioner and an Associate Member of the Chartered Institute of Personnel Management of Nigeria, with almost 20 years cognate experience in Human Resources Management and Administration.

He currently heads the Human Resources department of SAHCO, deploying his deep insight skills into planning, organizing and controlling the activities and actions of the human resource department. Prior to joining SAHCO, he has worked in different organizations, held several related human resources roles and cutting across different industries. He has attended various Human Resource related certified trainings from reputable training institutes.

- **Okunlola Adebowale Adeniyi** - Manager, Corporate Security

Okunlola has an Advanced Diploma in Security operation from the University of Lagos obtained in 2004 and obtained an HND in Accountancy and Business Administration from Wolex Polytechnic in 2017. He has garnered over 18 years' experience in Aviation Security operations.

He started his career with the Nigeria Airways in August 2000 as an Aviation Security Officer. In 2004, he joined Skypower where he rose to the position of Chief Security Officer. Following the operational takeover of Skyway by SAHCO, he became the Manager, Corporate Security in the Company and is responsible for the security matters of the Company and serves as a link between SAHCO and external security agencies.

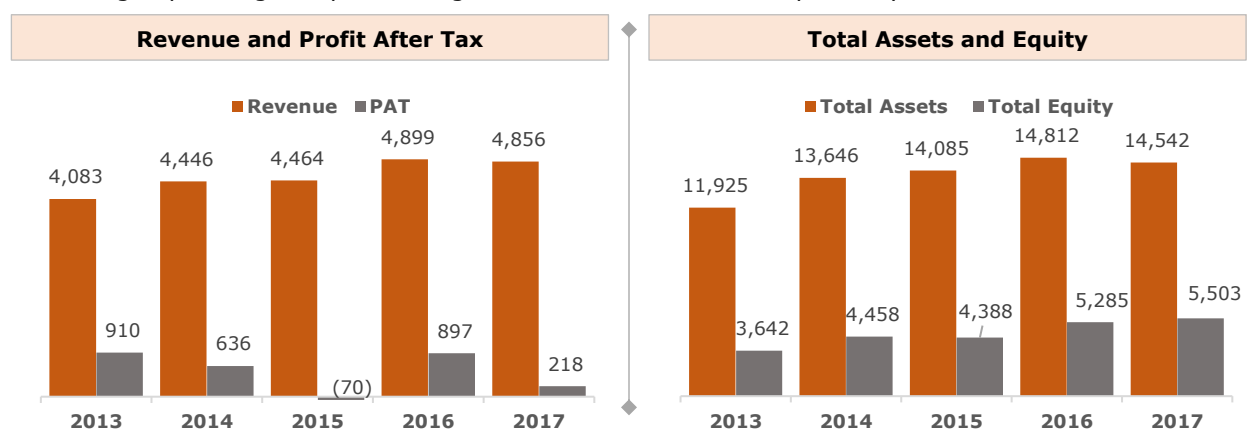
He has undergone both international and domestic trainings from International Air Transport Association, International Civil Aviation Organization and other recognized Aviation security bodies. He is a member of SPY police force as well as a several professional bodies which includes the Nigerian Institute of Safety Professionals and Nigerian Institute of Security Professionals. He is also certified AVSEC instructor by the Nigerian Civil Aviation Authority.

- **Ayodele Sanusi** - Procurement Manager

Ayodele is a highly experienced procurement Manager with two (2) years of relevant experience in executive planning and procurements. He holds a degree in accounting from the Lagos state Polytechnic which he obtained in 2008. He has attended various trainings which include Logistic, Procurement and Supply chain management.

### OPERATING PERFORMANCE OF SAHCO

Since the privatisation of the Company, the Company has grown consistently from a revenue of ₦2.31Bn and total assets of ₦3.33Bn in 2009 to an annual revenue of ₦4.86Bn and total assets of ₦14.54Bn in 2017, representing 111% and 337% growth rates respectively. In the last five (5) years (based on its audited financial statements from 2013 to 2017), SAHCO has maintained a stable operating performance with a compounded annual revenue growth rate of 4.43% as well as improved profitability evinced by an average operating and profit margin of 12.1% and 11.6% respectively.



\*Figures in charts are in ₦Millions

Following the implementation of a number of turnaround initiatives post-privatisation, SAHCO has built strong competence as one of the leading aviation ground handling companies in Nigeria growing its market share from 21% in 2009 to over 40% in 2017. This growth has been largely driven by SAHCO's deliberate strategy to deepen its technical capacity required for the sector with significant investment in personnel development, purchase of modern equipment, infrastructural development and customer services, which has helped reposition the company to meet the expectations and needs of its clientele.

## THE CHAIRMAN'S LETTER

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### FUTURE STRATEGY

SAHCO's future strategy is to create long term shareholder value through the profitable operation and expansion of its business beyond Nigeria and into other West African markets with a vision to become the leading provider of passenger, ramp and cargo handling services in the West Africa sub-region.

In order to achieve this objective, SAHCO seeks to pursue growth and opportunities consistent with its business operations by focusing on operational excellence and efficiency, enhanced service delivery, strategic partnerships and alliances (that would enhance its capability both in the domestic market and globally) as well as strategic investments, amongst others.

### DETAILS OF THE OFFER

This Prospectus invites applications for a total of 406,074,000 Ordinary shares of 50 kobo each at the Offer Price of ₦4.65 per share. Upon completion of the Offer and assuming that the shares on Offer are fully subscribed, SAHCO's ownership structure is expected to be as set out in the table below:

Shareholder	Ordinary Shares Held	%
Sifax Shipping Company Limited	385,000,000	28.4%
Barrister (Dr.) Afolabi Taiwo	352,506,000	26.0%
Mrs. Folashade Afolabi	210,000,000	15.5%
Nigerian citizens and associations (pursuant to the Offer)	406,074,000	30.0%
<b>Total</b>	<b>1,353,580,000</b>	<b>100%</b>

### Purpose of the Offer and Use of Proceeds

The purpose of the Offer is to enable the Vendors to divest 406,074,000 Ordinary Shares of 50 Kobo each representing 30% of the entire issued and fully paid up Ordinary Shares of SAHCO in partial compliance with the terms of the SSPA (as approved by BPE).

The net proceeds of the Offer, estimated at ₦1,834,737,675.27 (One Billion, Eight Hundred and Thirty Four Million, Seven Hundred and Thirty Seven Thousand, Six Hundred and Seventy Five Naira and Twenty Seven Kobo) after deducting the total cost of the Offer, estimated at ₦53,506,424.73 (Fifty Three Million, Five Hundred and Six Thousand, Four Hundred and Twenty Four Naira and Seventy Three Kobo) (representing 2.83% of the Offer), will be disbursed to the Vendors in consideration for the shares divested under the Offer. As the Offer is being undertaken in partial compliance with provisions of the SSPA (as approved by BPE), SAHCO will not receive any of the proceeds arising from the sale of the shares being offered by this Prospectus.

### Arrangements for the Offer

At the Extra-Ordinary General Meeting of the Company held on 24 September, 2018, the Directors of SAHCO proposed and the shareholders approved an Offer for Sale of 406,074,000 Ordinary Shares of 50 kobo each to the general investing public to enable the Vendors to divest 30% equity stake in SAHCO in partial compliance with the terms of the SSPA (as approved by BPE).

### How to subscribe for shares in the Offer

Kindly ensure that you read carefully, the "Instructions for Completing the Application Form" on page 87 of this Prospectus.

### Allotment

The Ordinary Shares being offered for sale will be allotted on the basis of equality between the three hundred and sixty (360) Federal constituencies and the Federal Capital Territory. However, shares may be allotted from Federal constituencies with under-subscription to those with over-subscription.

Subject to the above, Applicants shall be allotted the minimum subscription units as specified in the Prospectus and then the residual balance shall be pro-rated i.e. all Applicants would be allotted equal proportion of the amount applied for.

Furthermore, 10% of the Ordinary Shares being offered for sale will be reserved for staff of SAHCO (in accordance with section 4.2 of the SSPA and section 5 (3) of the Public Enterprises (Privatisation and Commercialisation) Act No. 28 of 1999) under an Employee Stock Ownership Plan to be set up and administered by a Trustee.

## THE CHAIRMAN'S LETTER

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The Company and the Issuing Houses, subject to the approval of the Securities and Exchange Commission, retain the right to accept or reject any application in whole or in part. All multiple, suspected multiple or irregular applications will be rejected.

### Provision for oversubscriptions

There is no provision to accept oversubscriptions, should such arise after full allotment of the shares on Offer. Surplus monies will be returned to applicants under the rules and regulations of, and within the time prescribed by, the Securities and Exchange Commission.

### Eligibility

Only Nigerian citizens are entitled to apply for and be allotted shares under this Offer in accordance with the provisions of the SSPA and Public Enterprises (Privatisation and Commercialisation) Act Cap. P38 LFN 2004.

### Non-resident Investors

The distribution of this Prospectus in jurisdiction outside the Federal Republic of Nigeria may be restricted by the laws of such jurisdiction and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of the applicable securities law of a foreign country.

## RISK FACTORS

Prospective investors should carefully consider, amongst other things, the risk factors described below, together with all of the detailed information set out elsewhere in this Prospectus and reach their own views before making an investment decision.

### Risk Factors Relating to Nigeria

#### Negative impact of Nigeria's exposure to domestic instability

Nigeria's economy is largely dependent on revenue generated from oil and gas production which has, in the past, been affected by incessant security crisis and disturbances in the Niger Delta region. Up until recently, activities in this region have been volatile affecting the entire spectrum of the oil and gas industry. Also, lack of clarity regarding the regulatory reforms in the industry as the Petroleum Industry Bill no longer exists in its original form (the PIB has now been split into four different parts including the Petroleum Industry Fiscal Bill, 2018, which are still pending before Nigeria's National Assembly) have also contributed to the uncertainties regarding the future legal and fiscal environment of the industry.

On the other hand, sectarian conflicts in the Middle Belt and Northern Nigeria continue to pose a threat to Nigeria's agricultural sector and political stability. The intermittent crisis and insurgence of the Boko Haram group as well as the recent violence in the Middle Belt and North Central, have been identified as major contributors to the regions' policy stasis. The activities of these groups may have a material adverse effect on public safety and productivity.

#### Threat to Nigeria's economic stability

The near-term growth outlook for Nigeria is more positive as a weak base, and continued recovery in the oil sector and industrial activity is expected to continue to drive growth. However, this prospect could be hindered by threats in the form of short and medium-term downside risks. Alongside the threats described above, other threats include disruptions in gas and crude oil supply and the disproportionate improvements in the standards of living of Nigerians compared to the country's strong economic growth – partly as a result of limited creation of employment opportunities for the country's young population.

#### Risks relating to Emerging markets such as Nigeria

Emerging markets such as Nigeria are subject to greater risks than more developed markets, and financial turmoil in any emerging markets could cause the price of securities to decrease. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in, and are familiar with, investing in emerging markets. Investors should also note that emerging markets such as Nigeria are subject to rapid change and that the information set forth in this Prospectus may become outdated relatively quickly. Moreover, financial turmoil in any emerging market country tends to adversely affect prices in equity markets of all emerging market countries as investors move their money to more stable, developed markets. Financial problems or an increase in the perceived risks associated with investing in emerging economies could

## THE CHAIRMAN'S LETTER

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dampen foreign investment in Nigeria and adversely affect the Nigerian economy as companies that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn.

Thus, even if the Nigerian economy remains relatively stable, financial turmoil in any emerging market country could adversely affect the Company's business, as well as result in a decrease in the price of its securities.

### **Risk Factors Relating to SAHCO**

#### **Business/Company specific risks**

These are risks that are unique to SAHCO which may hamper the Company's achievement of its business objectives. These risks include operational failure, accounting and internal control processes, lack of adequate supervision, poor management, inadequate human resources, inadequate cash flow, poor customer service etc.

- **Operational Risk**

The Company is exposed to inherent risks specific to its operations resulting from inadequate or failed internal processes (risks associated with inadequate monitoring of operations), people (key man risk) and systems (lack of proper accounting records to monitor and manage the business proactively and lack of suitable controls) or from external events. Potential losses include fraud (internal and external); fines, penalties or expenses incurred as a result of regulatory infractions; losses arising from litigation processes including out of court settlements; losses incurred as a result of damage to the Company's assets and losses incurred as a result of operational downtime, malfunction or disruption.

- **Credit Risk**

This is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

- **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

- **Market Risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, and interest rates will affect the company's income or value of its holdings of financial instruments.

- **Foreign Exchange Rate Risk**

Exchange rate risk arises from the fact that transactions in foreign currency are translated into the respective functional currency of the company at the dates of the transaction and exchange rates may vary widely. This risk is further magnified by possible adverse movement in the exchange rate of the transaction denominated in foreign currency in relation to the base currency before the date when the transaction is consummated.

- **Interest Rate Risk**

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its loans i.e. risk that the Company will realize a loss as a result of a decline in the fair value of loans.

#### **Industry/sector risks**

The ground handling segment of the Nigerian Aviation industry is highly competitive. Foreign firms are looking to enter the Nigerian market which would significantly impact the competitive structure of the sector. There is a risk that the Company may not be able to compete effectively in the sector. In addition, any downturn in the sector on the back of low passenger traffic may constrain the operating model of the Company.

#### **Change in Law**

The Company is duly incorporated and established under Nigerian law, which remains in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Nigerian law or the official application or interpretation of Nigerian law after the date of this Prospectus. The operations of the Company could be affected by the uncertainties that characterize the

## **THE CHAIRMAN'S LETTER**

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political climate in Nigeria, particularly around changes to the policies that have created an enabling environment for operators in the aviation industry.

### **Environmental Risk**

The Company is exposed to environmental risks from natural disasters such as earthquakes, flooding and other unpredictable natural events.

### **GENERAL RISK DISCLOSURE**

Investors should consult their advisers if in any doubt as to the nature of this investment and its suitability in the light of their particular circumstances. The value of any security traded (whether listed or not) are subject to investment risks, can and do fluctuate, and any individual security may experience upward or downward movements. There is an inherent risk that losses may be incurred rather than a profit made as a result of buying and selling securities. Past performance is not a guide to future performance.

### **CONCLUSION**

The Offer represents a unique opportunity to invest in the burgeoning Aviation Handling Sector and I therefore enjoin Nigerians to subscribe to the Offer.

Yours faithfully,



**Barrister (Dr.) Afolabi Taiwo, MON  
Chairman**

## OVERVIEW OF THE NIGERIAN ECONOMY

The Information in this section has been extracted from publicly available data obtained from organizations such as the CBN, the NBS, and the United Nations, the Economist Intelligence Unit (EIU), the World Bank, the International Monetary Fund (IMF), United Nations Conference on Trade and Development (UNCTAD) and other sources believed to be reliable. The Company and the Issuing Houses have relied on the accuracy of this information without independent verification and make no representation as to its accuracy.

### INTRODUCTION

The Federal Republic of Nigeria is located in the West African sub-region of Africa and occupies a land area of approximately 923,773 square kilometers, with a population of approximately 194 million people and is comprised of 36 states and a Federal Capital Territory– Abuja. Nigeria is the most populous nation in Africa as well as the 7<sup>th</sup> most populous country in the world. Since 1999, the Federal Government has embarked on a number of actions to reform the economy, manage its oil wealth in a more sustainable way, reconstruct its political institutions, improve its international image, and diversify the economy beyond the oil industry.

In April 2014, following the rebasing of its GDP, Nigeria became the largest economy in Africa (overtaking South Africa) with a GDP of US\$503.8 billion. The Nigerian economy faced numerous challenges in subsequent years which, following the decline in global oil prices, culminating in its decent into a recession in the second quarter of 2016 (for the first time in twenty years). However, the economy successfully emerged from the recession (after five consecutive economic contractions) and recorded a growth of 0.83% in 2017 with a GDP of US\$395 billion. The table below provides a summary of Nigeria's key economic indicators.

#### Exhibit 1: Key Economic Indicators (2013 – 2018)

Economic Indicators	2013	2014	2015	2016	2017	2018F
Rebased Nominal GDP (US\$ billion)	550.8	540.0	488.8	400.4	374.8	410.0
Real GDP growth (%)	5.5	7.2	2.79	-1.58	0.97	1.89
Population (mn) <sup>1</sup>	175.7	181.4	187.3	193.4	197.7	199.0
Inflation (%)	8.5	8.1	9.0	15.6	16.6	12.0
Oil Production ('000 b/d)	1,963	2,044	2,099	1,808	1,888	2,000
Exchange Rate NGN/US\$ (average)	155.8	156.9	197.8	253.5	305	305

Source: CBN, NBS, World Bank, IMF, Bloomberg, Vetiva Research;<sup>1</sup>estimated

Nigeria's exports are dominated by crude oil and gas which account for c.85% of the Country's foreign exchange earnings and approximately 40% of budgetary revenues. Although Nigeria is one of the largest oil producing countries and holds one of the largest natural gas reserves in the world, the Nigerian economy has been driven mainly by the non-oil sector for the past few years. The table below (Exhibit 2) accurately reflects the size and contribution of each sector, revealing a significant contribution by the services sector (finance and insurance industries, construction and real estate sectors). The Government's focus is to grow the non-oil sector, particularly the agricultural sector, towards boosting its contribution to GDP.

#### Exhibit 2: Sectoral Contribution (%) of nominal GDP after rebasing

Sectors	2013	2014	2015	2016	2017	2018F
Agriculture	21.0	20.2	20.2	21.2	21.1	21.8
Crude oil and Natural Gas	12.9	10.8	6.9	5.4	9.2	10.5
Manufacturing	9.0	9.8	9.7	8.8	8.8	9.2
Services	36.6	37.9	40.1	64.6	60.9	59.5
Trade	17.1	17.6	19.2	20.4	19.0	18.8
Telecommunications & Information Services	10.4	10.8	9.0	8.4	7.5	7.8

Source: NBS (Q1 2018)

### POLITICAL ENVIRONMENT

Nigeria is politically divided into six (6) geopolitical zones – North Central, North East, North West, South East, South West and South-South. Nigeria gained full independence from the United Kingdom on October 1, 1960 and became a Federal Republic in October 1963. In May 1999, following 16 years of military rule, Chief Olusegun Obasanjo under the platform of the People's Democratic Party ("PDP") became the first democratically elected President since the 1979 to 1983 civilian government of Alhaji Shehu Shagari. After serving two terms Chief Olusegun Obasanjo handed over power to President Umaru Yar'Adua on 29 May, 2007. However, President Yar'Adua's tenor was short lived due to his death on 05

## OVERVIEW OF THE NIGERIAN ECONOMY

May, 2010; following which Goodluck Ebele Jonathan was sworn in as President on 06 May, 2010 in accordance with the Nigerian Constitution. Goodluck Ebele Jonathan retained his role as President following the April 2011 elections in which he emerged as the winner. Despite reports of a free, fair, peaceful, and credible election in 2011, post-election violence and riots erupted in certain cities of some of the northern states of Nigeria (Kaduna, Gombe, Bauchi, Kano, Adamawa, and some parts of the Federal Capital Territory) partly due to a terrorist group known as Boko Haram and continued throughout Goodluck Jonathan's tenure as President.

Following the 2015 elections, Nigeria witnessed its first ever change of government from one political party to another. Despite negative expectations, the 2015 elections were peaceful and led to the Country's first transition from one political party led government to another as President Mohammed Buhari was elected as President under the platform of the All Progressives Congress (APC). The smooth transition of power marked a new era for the country and gave further credence to Country's maturing democracy as well as its socio-political stability.

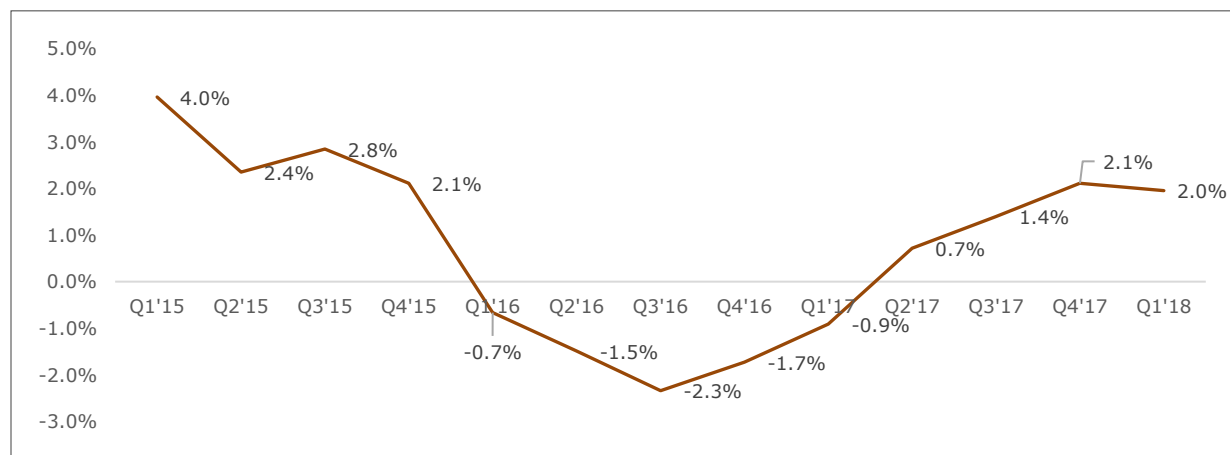
The 2019 elections portend another period of relative political uncertainty for Nigeria, however, there is strong positive expectations of continued political stability given the peaceful 2015 elections and subsequent seamless transition of power.

### GROSS DOMESTIC PRODUCT

Nigeria's economy was severely affected by the crash in global oil prices from a high \$115/bbl in June 2014 to \$28/bbl in January and a militant uprising in early-2016 which cut daily oil production from a 2015 average of 2.1 mb/d to 1.5 mb/d in August 2016. Economic growth declined consistently through the period—from 6.2% y/y in 2014 to 2.8% y/y in 2015—before contracting 1.6% y/y in 2016 as the country entered into a recession and faced severe foreign exchange scarcity. However, the government-led resolution of the militant crisis in the oil-producing region of the Country; a slight increase in oil prices, and a slight weakening of capital controls, lifted the economy and drove a marginal recovery in GDP growth. Growth, though sluggish, has largely been driven by oil and agriculture.

The near-term growth outlook is more positive as a weak base, and continued recovery in the oil sector and industrial activity should continue drive growth.

### Exhibit 3: Real GDP Growth



Source: NBS

### INFLATION

Nigeria has struggled with inflation in recent years as a mix of energy price hikes, accelerating food prices and currency depreciation led to an increase in the country's inflation rate from an average of 9% to well over double-digits over 2016 and 2017.

Recent consumer price rises have been milder, partly because of the base effect of high 2017 inflation, and inflation has declined from 15.4% in December 2017 to 11.6% y/y in May 2018. Although this moderation is expected to continue over the next few months, expansionary fiscal policy, pre-election spending, and resurgent food price rises due to the violence in the Middle Belt would likely cause an increase in inflation in the latter months of 2018.



## OVERVIEW OF THE NIGERIAN ECONOMY

### INTEREST RATES

After an initial 200bps reduction in the monetary policy rate to spur credit growth and address a down-trending economy, the Central Bank of Nigeria began a tightening cycle in 2016, raising interest rates by 100bps in March 2016 and 200bps in July 2016 to 14%. This was in a bid to tackle accelerating inflation and defend the exchange rate following an attempt to float the currency in June 2016. As inflation remained high in 2017, the CBN persisted with its 14% MPR despite sluggish economic growth. Going forward, the CBN is likely to maintain the status quo given the need to manage inflation expectations ahead of likely fiscal injections in late 2018 which would pressure the inflation rate.

The long-term direction of Nigeria's interest rate remains lower and the CBN continues to target a single-digit interest rate. However, this objective would be complicated by underlying inflationary pressures on food and energy prices, along with the underlying currency weakness stemming from the multiple exchange rate system currently being employed.

### FOREIGN EXCHANGE

Historically, there has been a strong positive correlation between the value of the NGN/USD and the price of crude oil in the international market, with rising crude oil prices typically resulting in current account surpluses and appreciation of the Naira. Following the significant decline in oil prices in 2014, pressure on the Naira increased, causing the CBN to enact a number of capital controls to stem capital flight and pressure on the currency.

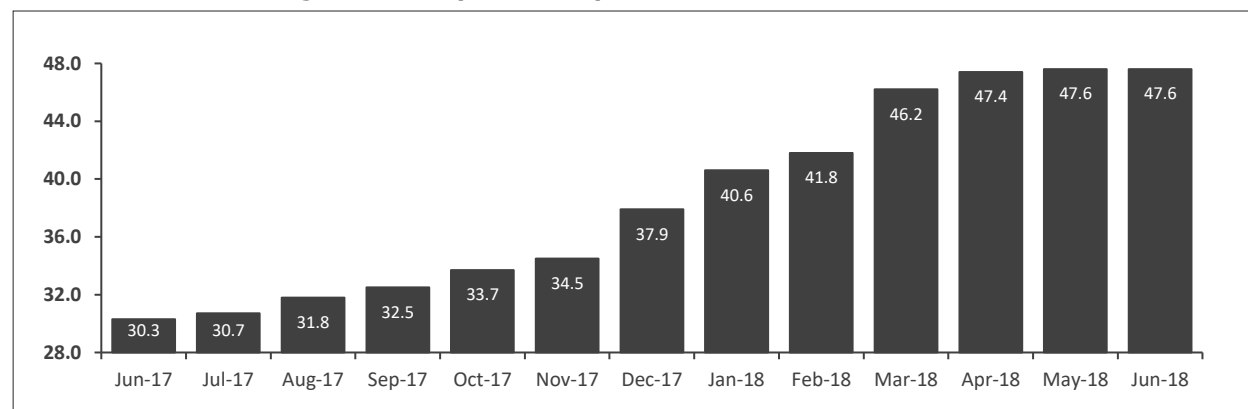
After allowing the exchange rate fall from NGN160/USD in 2014 to NGN199/USD at the start of 2016, the CBN switched to a de-facto fixed exchange rate regime despite plummeting oil earnings and devaluations across emerging markets. Despite tightening monetary policy to support the Naira, a severe dollar shortage dried up the foreign exchange market and forced the CBN to ration dollars in the economy. A recovery in oil earnings and improvement in foreign reserves provided some breathing room, and the CBN began to auction dollars more frequently, before creating the "Investors & Exporters" window ("I&E window"), a floating market segment. The window has been a success with over US\$2.5 billion traded since inception and dollar liquidity has improved significantly in tandem with recovery in oil prices.

The I&E window remains just one segment of the foreign exchange market and Nigeria's multiple exchange rate regime allows room for arbitrage and induces devaluation pressure on the currency. Going forward, the CBN would likely move to collapse the various markets into a single foreign exchange market, though it is doubtful that it would be able to do this without an effective devaluation of the currently-discounted official exchange rate.

### FOREIGN RESERVES

Nigeria's external reserves fell from a high of \$62 billion in September 2008 to a low of \$24 billion in October 2016, driven by decimated oil revenues and the CBN's policy of leveraging external reserves to defend the Naira during the foreign exchange crisis of 2014 to 2017. The Country's reserves rose from \$39 billion in December 2017 to \$48 billion in June 2018 due to the recovery in oil prices through 2017 and improvement in oil production following the Niger Delta cease-fire. Going forward, Nigeria's reserves are expected to improve given the relatively positive outlook for oil prices.

#### Exhibit 4: Trend in Foreign Reserves (US\$ billion)



Source: Bloomberg

## OVERVIEW OF THE NIGERIAN ECONOMY

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### FOREIGN DIRECT INVESTMENTS

Through the Nigerian Investment Promotion Commission (NIPC) and the One Stop Investment Center (OSIC), the FGN has continued to encourage and benefit from accelerated local and foreign investments in the economy. Nigeria's oil & gas sector and fast-moving consumer goods market have long been beneficiaries of FDI into the country. For instance, Nissan, Peugeot and Hyundai in 2014 began auto assembly in Nigeria, following the Nigerian Automotive Industry Plan introduced in 2012. Nigeria also accounted for a large portion of 45% total cross-border M&A purchases by firms in Africa.

The post-2014 dip in oil prices, imposition of capital controls, and a year-long recession all contributed to dissuading further growth in FDI in recent years. According to the National Bureau of Statistics, FDI declined from \$2.3 billion in 2014 to \$982 million on 2017. The prospect of greater FDI in the medium-term are positive, underpinned by Nigeria's long-term growth potential, sizable consumer market, and large infrastructure deficit. Moreover, the government has made strides in bridging this infrastructure gap through capital expenditure and public-private-partnerships, while efforts to improve the ease of doing business have already begun to bear fruit—Nigeria rose 24 places to 145th on the 2018 World Bank Ease of Doing Business Index.

### EXTERNAL DEBT

Nigeria's external debt has risen steadily in recent years as the Federal Government has shifted away from domestic borrowing in order to reduce the crowding out of private sector credit in the local market. The external debt stock has risen from \$9.5 billion in Q1'15 to \$22.1 billion in Q1'18, with this rise mainly driven by a raft of Eurobond issues as Nigeria has become the toast of the Sub-Saharan dollar-denominated debt market. Nigeria also floated a debut \$300 million diaspora bond in mid-2017 as the country seeks to tap into the capital reserves of its sizable diaspora. External debt is expected to rise further in the coming years, in line with government strategy, and account for a larger share of total public debt.

### FIXED INCOME MARKET

Nigeria's fixed income market has been dominated by high inflation and tight monetary policy in recent years, as CBN's tight liquidity stance kept short-term interest rates consistently high and inverted the yield curve. The 2016-2017 period can be considered a golden yield era as attractive yields induced significant demand in the fixed income market during the period. Relative stability in the exchange rate and moderating inflation have allowed the apex bank to soften its liquidity management stance and this has instigated substantial yield moderation at the short end of the curve. The reduction in government bond supply has also contributed in driving up asset prices and average yields have moderated nearly 500bps. Yields are projected to be sticky in the near-term as election jitters counter the effect of moderating bond supply and improved demand.

### CREDIT RATING

Fitch Ratings Inc. ("Fitch") downgraded Nigeria's credit rating to "B+" in June 2016 on the back of foreign exchange illiquidity and a deterioration in public finances. Standard & Poor's Rating Services (S&P) followed suit in September 2016 following a botched decision to float the naira and continued dollar scarcity in the country. In November 2017, despite an improvement in public finances and foreign exchange liquidity, Moody's Investors Service (Moody's) downgraded Nigeria's credit rating to "B2" in November 2017, citing continued vulnerability to shocks in oil prices. Nigeria's rating has been maintained in recent iterations of S&P and Fitch reviews, as the country shores up its balance sheet and reduces its reliance on oil exports for dollar earnings.

### REFORMS

The Nigerian government has continued to intensify efforts towards progressive economic reforms over the years especially within key sectors such as power, oil and gas, and agriculture, as well as revamping the nation's governance and macroeconomic environment. These reforms, together, are geared towards developing, enabling and encouraging sustainable private-sector-led economic growth.

#### Power

Despite reform efforts in recent years, Nigeria's power sector continues to battle numerous challenges across the value chain. The ₦701 billion Power Assurance Facility ("PAF") fund introduced from January 2017 to address the liquidity challenge depressing the Power Generation value chain has come under scrutiny in recent times. It is likely that the frequency and size of disbursements would have to improve

## OVERVIEW OF THE NIGERIAN ECONOMY

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for the PAF to materially improve liquidity conditions in the generation sub-sector. On the other hand, some progress has been made in power distribution following the introduction of the Meter Asset Provider ("MAP") regulations. The MAP is expected to help close the metering gap in the country by shifting the burden of meter provision from the distribution companies to third-party specialist providers.

Tariff hikes are still considered to be a necessary part of power sector reforms, evinced by the size of naira depreciation in recent years. This is particularly important as improved Distribution Companies' liquidity would have a positive ripple effect on the entire value chain and it is expected that improved metering transparency and electricity stability would make a tariff hike more tenable post-election. Nevertheless, it is expected that the tariff conundrum would be kept on ice until after the elections with the new metering regulations as the primary near-term boost on the distribution front.

### Agriculture

Nigeria's agriculture sector had previously been the star of the post-2014 economy, spurred by import substitution and CBN development finance initiatives. Although the sector continues to grow, it has been hit by a severe increase in the spate and severity of violent Herdsmen activities in the Middle Belt and North Central. The latter could be particularly damaging to agriculture output given the span of the affected area and could worsen in the build-up to the 2019 elections. The Federal Government has taken some action, initiating a National Food Security Council in March 2018 and launching a military operation in May 2018 to defuse the situation.

The President also produced a National Livestock Transformation Plan to address longstanding issues around grazing and farmland in the country and we are hopeful that astute execution of the plan would move the region towards long-term peace and stability. Although the insecurity situation dampens our near-term outlook for the sector, we expect the agriculture sector to continue to grow given the government's strong-willed focus on attaining food security and self-sufficiency in key staples as part of the Economic Recovery & Growth Plan.

### Oil and Gas

The enactment of the Nigerian Oil and Gas Industry Content Development Act (Local Content Act) as an effort to promote local participation in the oil and gas industry, has recorded significant gains in supporting indigenous companies to play a larger role in the industry. These efforts have led to the emergence of local firms leading drilling and development activity in the upstream sector and also innovating in the midstream and services sectors.

Regulatory reform remains the missing piece in Nigeria's oil & gas jigsaw, despite the break-up of the PIB into four separate bills and in particular, the progress made on the Petroleum Industry Governance Bill (PIGB) – approved by the National Assembly in April 2018. Passage of the PIGB would be beneficial to the sector as the governance bill would partially outline the new regulatory landscape, particularly with regards to demarcating the role of the Nigerian National Petroleum Corporation ("NNPC") as industry regulator and participant and may help jolt quicker passage of the remaining bills. However, passage of the PIGB alone would be insufficient as the bill is much less potent without the corresponding Petroleum Industry Administration Bill (PIAB) which acts as an operating manual for the new industry regulator and this could create a regulatory vacuum.

The downstream picture is much clearer - strong oil prices is expected to maintain the status quo in the downstream sector as it remains uneconomic for marketers to import products under the current pricing template (landing cost last estimated at ₦171 per litre with \$65/bbl oil price) and the zero-subsidy reimbursement era. NNPC is expected to remain the sole importer of PMS in the country until expected sector deregulation once Nigeria has functioning refineries.

## OVERVIEW OF THE NIGERIAN AVIATION GROUND HANDLING SECTOR

*The Information in this section has been extracted from publicly available data obtained from sources believed to be reliable. The Company and the Issuing Houses have relied on the accuracy of this information without independent verification and make no representation as to its accuracy.*

Civil aviation forms a core part of Nigeria's transportation system and is a critical driver of economic growth in the country. As Africa's most populous country as well as one of its largest economies, Nigeria is an important destination for over twenty two (22) foreign carriers and currently has Bilateral Air Services Agreements with over seventy eight (78) countries.

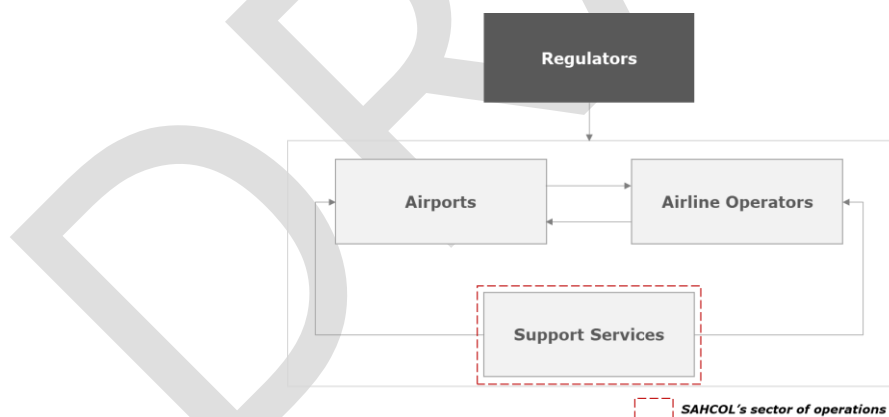
The Nigerian Aviation industry has recorded tremendous growth over the years, buoyed by the country's drive towards global economic integration, with a four-year average passenger traffic (domestic and overseas) of 14.7 million, over twenty (20) local and domestic airlines operating in the country and over twenty (20) airports as well as a significant number of regulated airstrips and heliports. The sector successfully overcame the challenges brought on by the 2016 recession and recorded a year-on-year growth of 12.8% as at fourth quarter of 2017 as well as 28.3 % increase in passenger traffic in the first quarter of 2018 in comparison to the passenger traffic figures recorded within the same period in 2017.

More recently, the International Air Transport Association, in its global passenger traffic results for June 2018 stated that Nigerian airlines as well as some regional airlines recorded 10.9% increase in passenger traffic. The current growth in the sector as well as the compelling investment opportunity in the industry continues to attract new entrants as evinced by the unveiling of two new domestic airline operators and a number of other aviation support service providers. This consistent growth in the demand and supply sides of the industry portends the emergence of a consistently thriving aviation service industry driven by innovation and best-in-class service delivery.

The outlook for the industry is positive in view of the recent receipt of the American Federal Aviation Administration International Aviation Safety Assessment Category One Certification (which permits Nigerian registered carriers to fly directly into the United States of America) as well as the Federal Government's focus on strategically re-positioning the industry within the West African region to play its expected pivotal role of driving growth in key economic sectors and overall economic transformation.

Nigeria's aviation industry can be segmented into the airline operators, the airports, the regulators and the support service providers. The Ground Handling sectors form a part of the support service providers in the industry.

*Figure 1: Structure of the Nigerian Aviation Industry*



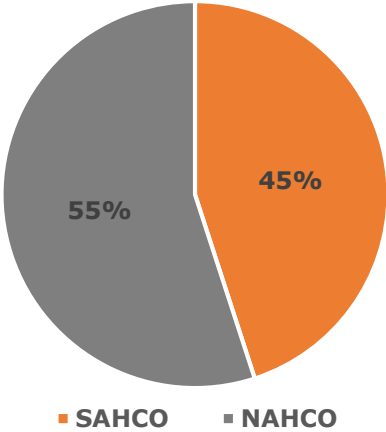
Growth within the aviation ground handling space is largely driven by activities of airline operators (passenger and cargo). The developments within the Nigerian Aviation industry around privatization of major airports, international safety certifications and regulations focused on improving the ease of doing business within the industry are expected to attract new airline carriers, expand the activities of existing carriers; these will be consequently increase passenger and cargo traffic and portend significant growth opportunities for the Grounds Handling space.

The Nigerian Grounds Handling sector is largely structured as a duopoly with SAHCO and Nigerian Aviation Handling Company PLC as the main players. In recent times, the sector has attracted foreign players as well as other domestic competitors, although their entry has been handicapped by significant regulatory hurdles which serve as a major barrier to entry. Nevertheless, the country's drive to improve the ease of doing business is expected to lessen the regulatory hurdles and increase the number of participants in the ground handling business going forward.

**OVERVIEW OF THE NIGERIAN AVIATION GROUND HANDLING SECTOR**

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Figure 2: Market Share analysis of Nigerian Aviation Ground Handling Sector



Following Nigeria’s exit from recession, and improved macroeconomic fundamentals (including declining inflation, tightening of the spread between parallel and official rates, robust economic growth forecast, amongst others) which create a favourable backdrop for business activities and operations as well as the expected holistic growth of the aviation industry, the Nigerian Ground Handling sector is expected to continue to thrive and record new levels of sustainable growth and profitability.

## HISTORICAL FINANCIAL INFORMATION

The following is a copy of the report of Ernst & Young, the Reporting Accountants to the Offer.

### LETTER FROM THE REPORTING ACCOUNTANTS

 <p><b>EY</b> Building a better working world</p>	<p>Ernst &amp; Young 10th Floor UBA House 57, Marina P. O. Box 2442, Marina Lagos.</p>	<p>Tel: +234 (01) 631 4500 Fax: +234 (01) 463 0481 Email: Services@ng.ey.com www.ey.com</p>
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10 September 2018

<p>The Directors <b>Skyway Aviation Handling Company Limited</b> Skyway Aviation Handling Company Complex Cargo Terminal Murtala Muhammed International Airport Lagos.</p>	and	<p>The Directors <b>Vetiva Capital Management Limited</b> Plot 266B, Kofo Abayomi Street Victoria Island Lagos</p>
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and

<p>The Directors <b>Cordros Capital Limited</b> 70 Norman Williams Street Ikoyi Lagos</p>
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Gentlemen,

**ACCOUNTANTS' REPORT ON THE AUDITED FINANCIAL STATEMENTS OF SKYWAY AVIATION HANDLING COMPANY LIMITED FOR THE FIVE YEARS ENDED 31 DECEMBER 2017 AND THREE MONTHS PERIOD ENDED 31 MARCH 2018**

**Report on the Financial Statements**

We have examined the audited financial statements of Skyway Aviation Holding Company Limited ("SAHCOL" or the "Company") for the years ended 31 December 2013, 2014, 2015, 2016 and 2017 and three months period ending 31 March 2018. These financial statements comprise the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, summary of significant accounting policies and other explanatory notes.

The financial statements for the year ended 31 December 2013 were audited by Samuel Adebayo Adetifa & Co and an unmodified opinion was issued on the financial statements. The financial statement for the years ended 31 December 2014, 2015, 2016 and 2017 were audited by Gbenga Badejo and Co and a qualified audit opinion was issued on these financial statements while a review report was issued on the condensed financial statements for the 3 months period ended 31 March 2018. The condensed financial statement for 31 March 2018 was reviewed by the auditor in accordance with the International Standard on Review Engagement (ISRE 2410) and the measurement and recognition requirement of the International Financial Reporting Standard (IAS) 34, Interim Financial Reporting. The basis of the qualified opinion was stated in the auditors' report for the years ended 31 December 2014, 2015, 2016 and 2017.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards (IFRS), the requirements of the Companies and Allied Matters Act CAP120 LFN 2004 and the Financial Reporting Council Act No 6, 2011 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Independent Reviewer's Responsibility**

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.



### **Basis for Qualified Conclusion**

Contrary to Rule 208(1a) of Securities and Exchange Commission Rules and Regulations, 2011 the statutory auditors work papers files for the year ended 31 December 2013 were not made available for our review. The reason for the non-availability was due to the demise of the sole partner of the statutory auditors for 2013 financial year, Samuel Adebayo Adetifa & Co.

### **Qualified Conclusion**

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements does not give a true and fair view of the financial position of Skyway Aviation Holding Company Limited as at 31 December 2013, 2014, 2015, 2016, 2017 and 31 March 2018 and of its financial performance and cash flows for the years then ended, in accordance with International Financial Reporting Standards, the requirements of the Companies and Allied Matters Act CAP120 LFN 2004 and the Financial Reporting Council Act No 6, 2011.

This report is solely for the use of the directors of and other relevant parties. No part of this report may be quoted or circulated outside these parties without prior written approval of Ernst & Young.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Maureen Ogodo', is written over a circular stamp.

Maureen Ogodo, FCA  
FRC/2012/ICAN/00000000142  
For: Ernst & Young  
Lagos, Nigeria



## HISTORICAL FINANCIAL INFORMATION

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER AND THREE MONTHS PERIOD ENDED 31 MARCH 2018

	Notes	3 months ended 31 March		Year ended 31 December			
		2018 N'000	2017 N'000	2016 N'000	2015 N'000	2014 Restated <sup>2</sup> N'000	2013 N'000
Revenue.....	6	1,362,716	4,856,462	4,899,398	4,463,640	4,445,827	4,082,875
Direct Cost .....	7	(726,857)	(2,656,813)	(2,401,971)	(2,338,474)	(2,107,715)	(1,953,755)
<b>Gross profit .....</b>		<b>635,859</b>	<b>2,199,649</b>	<b>2,497,427</b>	<b>2,125,166</b>	<b>2,338,112</b>	<b>2,129,120</b>
Other operating income.....	8	29,587	180,343	340,082	99,092	64,065	145,948
Administration expenses .....	9	(619,542)	(2,102,732)	(1,948,729)	(1,842,127)	(1,777,534)	(1,364,748)
Finance expense.....	11	(23,222)	(151,358)	(221,141)	(240,088)	(190,121)	(192,271)
<b>Profit before taxation .....</b>		<b>22,682</b>	<b>125,902</b>	<b>667,639</b>	<b>142,043</b>	<b>434,522</b>	<b>718,049</b>
Tax (expense)/credit.....	28	(48,063)	91,826	229,375	(211,699)	201,279	191,680
<b>(Loss)/profit for the period/year .....</b>		<b>(25,381)</b>	<b>217,728</b>	<b>897,014</b>	<b>(69,656)</b>	<b>635,801</b>	<b>909,729</b>
<b>Other Comprehensive income</b>							
Gain on revaluation of property plant and equipment.....		9,794,984	-	-	-	-	-
Income tax effect.....		(979,498)	-	-	-	-	-
		<b>8,815,486</b>	-	-	-	-	-
<b>Total comprehensive income/(loss) for the period/year, net of tax</b>		<b>8,790,105</b>	<b>217,728</b>	<b>897,014</b>	<b>(69,656)</b>	<b>635,801</b>	<b>909,729</b>
(Loss)/earnings per share - basic (kobo)	12	(0.06)	0.51	2.11	(0.16)	1.50	2.14
(Loss)/earnings per share - diluted (kobo)	12	(0.06)	0.51	2.11	(0.16)	1.50	2.14

<sup>2</sup> Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 29.



## HISTORICAL FINANCIAL INFORMATION

### STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Notes	31 March		As at 31 December			
		2018	2017	2016	2015	2014	2013
		N'000	N'000	N'000	N'000	N'000	N'000
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, plant and equipment .....	13	15,936,995	6,340,457	7,183,153	7,569,267	7,350,723	5,835,398
Investment Properties .....	14	310,223	309,502	315,176	244,168	-	-
Intangible assets .....	15	4,057,388	4,057,388	4,057,388	4,064,140	4,065,828	4,065,144
Deferred Tax Asset .....	29.1	-	943,600	692,176	271,686	196,566	-
<b>Total Non-Current Assets .....</b>		<b>20,304,606</b>	<b>11,650,947</b>	<b>12,247,893</b>	<b>12,149,261</b>	<b>11,613,117</b>	<b>9,900,542</b>
<b>Current Assets</b>							
Inventories .....	16	147,839	120,868	174,845	128,107	90,937	13,707
Trade and other receivables .....	17	2,025,066	1,882,254	1,969,644	1,456,510	1,635,153	1,649,753
Cash and bank balances .....	18	790,153	888,424	419,978	351,500	306,659	361,432
<b>Total Current Assets .....</b>		<b>2,963,058</b>	<b>2,891,546</b>	<b>2,564,467</b>	<b>1,936,117</b>	<b>2,032,749</b>	<b>2,024,892</b>
<b>Total Assets .....</b>		<b>23,267,664</b>	<b>14,542,493</b>	<b>14,812,360</b>	<b>14,085,378</b>	<b>13,645,866</b>	<b>11,925,434</b>
<b>LIABILITIES</b>							
<b>Non-Current Liabilities</b>							
Deposit for shares .....	20	5,035,800	5,035,800	5,035,800	5,035,800	5,135,300	5,135,300
Long term borrowing .....	22	160,705	215,644	540,621	792,238	392,851	-
Deferred tax liabilities .....	29.1	35,898	-	-	-	-	32,764
Deferred income .....	27	49,816	42,494	12,330	75,052	-	-
Employee Benefits .....	21	443,984	439,604	390,792	380,433	324,628	243,048
<b>Total Non-Current Liabilities .....</b>		<b>5,726,203</b>	<b>5,733,542</b>	<b>5,979,543</b>	<b>6,283,523</b>	<b>5,852,779</b>	<b>5,411,112</b>
<b>Current Liabilities</b>							
Trade and other payables .....	19	2,515,765	2,499,157	2,558,204	2,563,070	2,534,650	2,102,898
Short term borrowings .....	22	205,777	283,043	375,223	443,569	701,652	696,224
Deferred income .....	27	68,809	68,809	59,326	21,268	-	-
Current Income tax .....	28.2	458,035	454,972	554,822	385,720	98,901	73,150
<b>Total Non-Current Liabilities .....</b>		<b>3,248,386</b>	<b>3,305,981</b>	<b>3,547,575</b>	<b>3,413,627</b>	<b>3,335,203</b>	<b>2,872,272</b>
<b>Total Liabilities .....</b>		<b>8,974,589</b>	<b>9,039,523</b>	<b>9,527,118</b>	<b>9,697,150</b>	<b>9,187,982</b>	<b>8,283,384</b>
<b>EQUITY</b>							
Ordinary share capital .....	24	425,000	425,000	425,000	425,000	425,000	425,000
Retained earnings .....	25	5,052,589	5,077,970	4,860,242	3,963,228	4,032,884	3,217,050
Revaluation Reserve .....	26	8,815,486	-	-	-	-	-
<b>Total equity attributable to owners .....</b>		<b>14,293,075</b>	<b>5,502,970</b>	<b>5,285,242</b>	<b>4,388,228</b>	<b>4,457,884</b>	<b>3,642,050</b>
<b>Total Equity and Liabilities .....</b>		<b>23,267,664</b>	<b>14,542,493</b>	<b>14,812,360</b>	<b>14,085,378</b>	<b>13,645,866</b>	<b>11,925,434</b>

## HISTORICAL FINANCIAL INFORMATION

### STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER AND THREE MONTHS PERIOD ENDED 31 MARCH 2018

Notes	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014 Restated <sup>3</sup>	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>Cash flows from operating activities</b>						
Profit before tax .....	22,682	125,902	667,639	142,043	434,522	718,049
<b>Adjustment for:</b>						
Prior year restatement .....	30	-	-	-	180,033	-
Finance cost recognised in profit or loss .....	11	23,222	151,358	221,141	240,088	192,271
Finance received .....	8	(202)	(632)	(462)	(623)	(901)
Exchange gain .....	8	-	(49,474)	(243,983)	(32,279)	(9,221)
Exchange loss .....	9	93,607	-	-	-	-
Provision for employee benefit .....	21	29,880	99,913	76,526	97,955	102,852
Bad debt written off .....	9	270	2,282	22,104	4,197	1,305
Profit on disposal of Assets .....	8	-	-	(473)	-	-
Impairment of trade receivables .....	9	-	208,112	147,994	190,766	172,686
Depreciation of investment property .....	14	2,984	11,802	9,929	-	-
Depreciation and impairment of property plant and equipment .....		245,485	984,890	988,959	847,098	614,582
Amortization and impairment of intangible assets .....	15	-	-	-	1,688	1,472
		<b>417,928</b>	<b>1,534,153</b>	<b>1,889,374</b>	<b>1,490,933</b>	<b>1,677,916</b>
						<b>1,505,481</b>
<b>Working Capital Adjustments</b>						
Increase in trade receivables and prepayment .....		(143,082)	(334,648)	(683,231)	(115,823)	(159,391)
(Increase)/decrease in inventories .....		(26,971)	53,976	(46,738)	(37,170)	(77,230)
(Decrease)/increase in trade and other payables .....		(76,998)	(9,570)	239,229	60,702	448,780
Increase in deferred income .....		-	9,483	38,058	21,270	-
		<b>170,877</b>	<b>1,253,394</b>	<b>1,436,692</b>	<b>1,419,912</b>	<b>1,890,075</b>
						<b>849,056</b>
<b>Cash generated from operations</b>						
Tax paid .....	28	(45,000)	(47,804)	(22,013)	-	(89,060)
Movement in deferred income .....	27	7,322	30,162	(62,722)	75,052	-
Employee benefit paid .....	21	(25,500)	(51,100)	(66,168)	(42,150)	(40,955)
Adjustment to property plant and equipment .....		-	-	146,461	-	-
Adjustment to investment property .....		-	-	6,641	-	-
		<b>107,699</b>	<b>1,184,652</b>	<b>1,438,891</b>	<b>1,452,814</b>	<b>1,866,503</b>
						<b>719,041</b>
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment .....		(47,040)	(143,852)	(751,636)	(1,309,812)	(2,129,907)
Investment property .....	14	(3,705)	(6,128)	(80,937)	-	-
Proceed from disposal of assets .....		-	1,657	2,802	-	-
Purchase of intangible assets .....	15	-	-	-	-	(2,156)
		<b>(50,745)</b>	<b>(148,323)</b>	<b>(829,771)</b>	<b>(1,309,812)</b>	<b>(2,132,063)</b>
						<b>(1,282,921)</b>
<b>Cash flows from financing activities</b>						
Loan received .....	22	-	-	177,226	545,322	950,000
Repayment of borrowings .....	22	(132,205)	(417,157)	(497,189)	(404,018)	(551,721)
Finance expenses paid .....	11	(23,222)	(151,358)	(221,141)	(240,088)	(190,121)
Finance received .....	8	202	632	462	623	901
		<b>(155,225)</b>	<b>(567,883)</b>	<b>(540,642)</b>	<b>(98,161)</b>	<b>210,788</b>
						<b>411,207</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>						
		<b>(98,271)</b>	<b>468,446</b>	<b>68,478</b>	<b>44,841</b>	<b>(54,772)</b>
						<b>(152,673)</b>
<b>Cash and cash equivalents at start of year</b>						
		888,424	419,978	351,500	306,659	361,431
		<b>790,153</b>	<b>888,424</b>	<b>419,978</b>	<b>351,500</b>	<b>306,659</b>
						<b>361,432</b>

<sup>3</sup> Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 30.

## HISTORICAL FINANCIAL INFORMATION

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER AND THREE MONTHS PERIOD ENDED 31 MARCH 2018

	Notes	3 months ended 31 March		Year ended 31 December			
		2018 N'000	2017 N'000	2016 N'000	2015 N'000	2014 Restated <sup>4</sup> N'000	2013 N'000
<b>Summary</b>							
Share capital .....	24	425,000	425,000	425,000	425,000	425,000	425,000
Retained earnings.....	25	5,052,589	5,077,970	4,860,242	3,963,228	4,032,884	3,217,050
Revaluation Reserve .....	26	8,815,486	-	-	-	-	-
<b>Total equity .....</b>		<b>14,293,075</b>	<b>5,502,970</b>	<b>5,285,242</b>	<b>4,388,228</b>	<b>4,457,884</b>	<b>3,642,050</b>
<b>Retained earnings</b>							
As at 1 January .....		5,077,970	4,860,242	3,963,228	4,032,884	3,217,050	2,307,321
Adjustment on correction of error .....	30	-	-	-	-	180,033	-
<b>As at 1 January (restated) .....</b>		<b>5,077,970</b>	<b>4,860,242</b>	<b>3,963,228</b>	<b>4,032,884</b>	<b>3,397,083</b>	<b>2,307,321</b>
(Loss)/profit after tax for the period/year .....		(25,381)	217,728	897,014	(69,656)	815,834	909,729
Adjustment on correction of error .....	30	-	-	-	-	(180,033)	-
Restated (loss)/profit for the period/year .....		(25,381)	217,728	897,014	(69,656)	635,801	909,729
As at 31 December .....		5,052,589	5,077,970	4,860,242	3,963,228	4,032,884	3,217,050

<sup>4</sup> Certain amounts shown here do not correspond to the 2014 financial statements and reflect adjustments made, refer to Note 29.

## HISTORICAL FINANCIAL INFORMATION

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. General Information

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

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

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

#### 2. Application of new and revised international financial reporting standards

##### 2.1 Accounting standards and interpretations issued and effective

The followings revisions to accounting standards and pronouncements were issued and effective at the reporting date

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IAS 12 amended issued in January 2016	Income Taxes	The amendments clarify that the entity needs to consider whether the tax law restrict the sources of taxable profit against which it may make deductions on the reversal of that deductible temporary difference. The amendment further provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.	1 January 2017	On initial application of the amendments, there was zero impact on the earliest comparative period of the retained earnings.
IAS 7 amended issued in January 2016	Statement of cash flows	The amendment requires an entity to provide disclosures that enable users of financial statements to evaluate changes in Liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as the company's foreign exchange gains or Losses.	1 January 2017	On initial application of this amendment, entities are not required to provide comparative information for preceding periods.

##### 2.2 Standard, amendments and interpretations to existing standard that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Company

The following new/amended accounting standards and interpretations have been issued but are not mandatory for financial year/period. They have not been adopted in preparing the financial statements for the year ended 31 December 2017 and are expected not to affect the entity in the period of initial application. In all cases, the entity intends to apply these standards from the application dates as indicated in the table below.

IFRS Reference	Title and Affected Standard(s)	Nature of change	Application date	Impact on initial Application
IFRS 15 Issued in May 2014	Revenue from contracts with customers	IFRS 15 contains comprehensive guidance for accounting for revenue and will replace existing requirements which are currently set out in a number of Standards and Interpretations. The standard introduces significantly more disclosures about revenue recognition and it is possible that new and/or modified internal processes will be needed in order to obtain the necessary information.	1 January 2018	The amendment to the standard will not impact on the Company's financial statements when it becomes effective in 2018.

## HISTORICAL FINANCIAL INFORMATION

		<p>The Standard requires revenue recognised by an entity to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework: (i) Identify the contract(s) with a customer (ii) Identify the performance obligations in the contract (iii) Determine the transaction price (iv) Allocate the transaction price to the performance obligations in the contract (v) Recognise revenue when (or as) the entity satisfies a performance obligation.</p>		
IAS 40 amended issued in 8 December 2016	Investment property	<p>Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The list of examples of evidence in paragraph 57(a) – (d) is now presented as a non-exhaustive list of examples instead of the previous exhaustive list.</p>	Annual reporting periods beginning on or after 1 January 2018	The amendment to the standard will not have impact on the Company's financial statements when it becomes effective in 2018.
IFRS 9 (2014) (issued July 2014)	Financial Instruments	<p><b>Classification and measurement</b>            Financial assets will either be measured - at amortised cost,            - fair value through other comprehensive income (FVTOCI) or            - fair value through profit or loss (FVTPL).</p> <p><b>Impairment</b>            The impairment model is a more 'forward looking' model in that a credit event no longer has to occur before credit losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income (FVTOCI), an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.</p> <p><b>Hedging</b>            The new hedge accounting model introduced the following key changes:            -Simplified effectiveness testing, including removal of the 80-125% highly effective threshold            -More items will now qualify for hedge accounting, e.g. pricing components within a non-financial</p>	Annual reporting periods commencing on or after 1 January 2018	The application of IFRS 9 in the future may not have a material impact on amounts reported in Company's financial assets and financial liabilities. The new impairment requirements may not have significant impact on impairment provisions for trade receivables, loans and other financial assets not measured at fair value through profit or loss. However, the company is undertaking a review to assess possible impact of the standard.

## HISTORICAL FINANCIAL INFORMATION

		<p>item, and net foreign exchange cash positions</p> <ul style="list-style-type: none"> <li>-Entities can hedge account more effectively the exposures that give rise to two risk positions (e.g. interest rate risk and foreign exchange risk, or commodity risk and foreign exchange risk) that are managed by separate derivatives over different periods</li> <li>-Less profit or loss volatility when using options, forwards, and foreign currency swaps</li> <li>-New alternatives available for economic hedges of credit risk and 'own use' contracts which will reduce profit or loss volatility.</li> </ul>		
IFRS 16 issued in January 2016	Leases	<p>IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.</p> <p><b>Accounting by lessees</b></p> <p>Upon lease commencement a lessee recognises a right-of-use asset and a lease liability.</p> <p>The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the lessee. After lease commencement, a lessee shall measure the right-of-use asset using a cost model, unless:</p> <ul style="list-style-type: none"> <li>i) the right-of-use asset is an investment property and the lessee fair values its investment property under IAS 40; or</li> <li>ii) the right-of-use asset relates to a class of PPE to which the lessee applies IAS 16's revaluation model, in which case all right-of-use assets relating to that class of PPE can be revalued.</li> </ul> <p>Under the cost model a right -of-use asset is measured at cost less accumulated depreciation and accumulated impairment. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessee shall use their incremental borrowing rate.</p>	Annual reporting periods beginning on or after 1 January 2019	The Company is still reviewing the impact the standard may have on the preparation and presentation of the financial statements when the standard is adopted in 2019.

## HISTORICAL FINANCIAL INFORMATION

		<p>The lease liability is subsequently re-measured to reflect changes in: the lease term (using a revised discount rate); the assessment of a purchase option (using a revised discount rate); the amounts expected to be payable under residual value guarantees (using an unchanged discount rate); or of future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate). The re-measurements are treated as adjustments to the right-of-use asset.</p> <p><b>Accounting by lessor</b> Lessor shall continue to account for leases in line with the provision in IAS 17.</p>		
IFRS 10 and IAS 28	Contribution of Assets between an Investor and its Associate or Joint venture	<p>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.</p>	Yet to be determined	The amendment to the standard will not impact on the Company's financial statements when it becomes effective.
IFRS 2	Share-based Payment Transactions	<p>The amendments clarify the following:</p> <p>a. In estimating the fair value of a cash-settled share based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share based payments.</p> <p>b. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety,</p>	1 January 2018	The amendment to the standard will not impact on the Company's financial statements when it becomes effective in 2018.

## HISTORICAL FINANCIAL INFORMATION

		<p>provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.</p> <p>c. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:</p> <p>i) the original liability is derecognised;</p> <p>ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.</p>		
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### **3. Summary of Significant Accounting Policies**

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

#### **3.1 Statement of Compliance**

The Company's financial statements for the year ended 31st December, 2017 have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are effective at 31st December, 2017 and requirements of the companies and Allied Matters Act (CAMA) of Nigeria and Financial Reporting Council (FRC) Act of Nigeria. However, the financial statements did not comply fully with the requirement of IAS (International Accounting Standards) IAS 19 - Employee Benefits and IAS 40 - Investment Properties in measuring, recognizing, presenting and disclosing its Gratuity Plan and Investment properties respectively.

The financial statements comprise the statement of financial position, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The financial statements were authorised for issue by the Board of Directors on 8th June, 2018.

#### **3.2 Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). Additional standards may be issued by the International Accounting Standards Board (IASB) and may be subject to interpretations issued by the IFRIC. The financial statements have been prepared under the historical cost convention except for some financial assets and liabilities measured at fair value, amortised cost and net realizable value.

#### **3.3 Going concern**

The financial statements have been prepared in accordance with the going concern principle under the historical cost convention.

#### **3.4 Revenue recognition**

The Company recognises revenue when the amount of revenue can be reliably measured and when risks and rewards have passed to the customer. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied stated net of discounts, returns and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for the Company's activities.

##### **3.4.1 Rendering of services - Cargo Income**

The company is into Cargo handling in the aviation industry. Services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. The proportion recognised in the Statement of Profit or Loss and Other Comprehensive Income is assessed by reference to services performed to date as a percentage of total services to be performed.

Revenue from cargo services is also recognised when the significant risks and rewards of ownership of the goods have passed to the clearing agents or customers, usually on delivery of the goods. Delivery occurs when a customer's truck has been loaded with the cargo goods specified in the invoice.

Revenue is recognised net of discount and rebates given on volume trade.

##### **3.4.2 Aircraft Handling Income**

The company also renders aircraft handling which include crew and passenger transportation, passenger profiling, equipment rentals and ground handling services. Income from aircraft handling are recognised in the profit or loss in proportion to stage of completion of the transaction as the reporting date. However, 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.

#### **3.5 Rental Income**

Rentals from sub-leased property are recognised as rental income which is determined over the term of lease.

#### **3.6 Finance Income and expense**

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

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Statement of Comprehensive Income using the effective interest method.

Foreign currency gains or losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

#### **3.7 Changes in accounting policies and disclosures.**

##### **Revaluation of property, plant and equipment**

The Company re-assessed its accounting for property, plant and equipment with respect to measurement of certain class of property, plant and equipment after initial recognition. The Company had previously measured all property,

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plant and equipment using the cost model whereby, after initial recognition of the asset classified as property, plant and equipment, the asset was carried at cost less accumulated depreciation and accumulated impairment losses

On 29 March 2018, the Company elected to change the method of accounting for certain classes of property, plant and equipment, as the Company believes that the revaluation model provides more relevant information to the users of its financial statements and is more aligned to practices adopted by its competitors. In addition, available valuation techniques provide reliable estimates of the properties' fair value. The Company applied the revaluation model prospectively.

After initial recognition, properties plant and equipment are measured at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. For details refer to Note 13.

### 3.8 Foreign Currency

Functional and Presentation Currency

The Financial Statements are presented in the Nigeria Naira (N), which is the Company's functional currency.

#### 3.8.1 Foreign Currency Transactions

Transactions entered into by the company in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in the income statement, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation. However, the company does not have hedge as part of its financial instruments.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary available for sale financial assets form part of the overall gain or loss recognised in respect of that financial instrument.

### 3.9 Financial Instruments

Financial instruments represent the company's financial assets and liabilities. Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

These instruments are typically held for liquidity, investment, trading or hedging purposes. All financial instruments are initially recognised at fair value plus directly attributable transaction costs, except those carried at fair value through profit or loss where transaction costs are recognised immediately in profit or loss. Financial instruments are recognised (derecognised) on the date the company commits to purchase (sell) the instruments (trade date accounting).

#### 3.9.1 Financial Assets

Financial assets include trade and other receivables, cash and bank balances and certain other assets. Financial liabilities include term loans, bank overdraft, trade and certain other liabilities.

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company has not classified any of its financial assets as held to maturity, available for sale or fair value through profit or loss.

##### Subsequent Measurement

Subsequent to initial measurement, financial instruments are measured either at fair value or amortised cost, depending on their classifications below. The company's accounting policy for each category is as follows:

##### Trade and Other Receivables

They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

##### Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows,

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bank overdraft is included as part of Cash and Cash Equivalents. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

### **Impairment of Financial Assets carried at Amortised Cost**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Criteria that are used by the company in determining whether there is objective evidence of impairment include:

- i. known cash flow difficulties experienced by the customer;
- ii. a breach of contract, such as default or delinquency in repayment for goods and service;
- iii. breaches of credit terms or conditions and;
- iv. its becoming probable that the customer will enter bankruptcy or other financial reorganization.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

"For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

### **3.9.2 Financial Liabilities**

These include the following items:

#### **Bank Borrowings**

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. Interest expense in this context includes initial transaction costs, as well as any interest payable while the liability is outstanding.

#### **Trade payables and other short-term monetary liabilities**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### **Fair Value**

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. The best evidence of the fair value of a financial instrument on initial recognition is the transaction price, i.e. the fair value of the consideration paid or received, unless the fair value is evidenced either by comparison with other observable current market transactions in the same instrument, without modification or repackaging, or based on valuation techniques such as discounted cash flow models and option pricing models whose variables include only data from observable markets.

When such valuation models, with only observable market data as inputs, or the comparison with other observable current market transactions in the same instrument, indicate that the fair value differs from the transaction price, the initial difference, commonly referred to as day one profit or loss, is recognised in profit or loss immediately.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Company's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted available-for-sale financial assets, and for nonrecurring

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measurement, such as assets held for distribution in discontinued operations. The Valuation Committee is comprised of the head of the investment properties segment, head of the Company's internal mergers and acquisitions team, the head of the risk management department, chief finance officers and the managers of each property.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. The involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Valuation Committee, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. On an interim basis, the Valuation Committee and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

### 3.9.3 Financial Liabilities

#### **Derecognition of financial instruments**

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired, or where the company has transferred its contractual rights to receive cash flows on the financial asset such that it has transferred substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that is created or retained by the company is recognised as a separate asset or liability.

Financial liabilities are derecognised when they are extinguished, i.e. when the obligation is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same party on substantially different terms, or the terms of an existing financial liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, with the difference in the respective carrying amounts being recognised in profit or loss.

#### **Employee Benefits**

The company operates two benefit schemes for its employees:

##### **Defined contribution pension schemes**

The company operates a defined pension contribution plans, based on a percentage of pensionable earnings funded by both employer (10%) and employees (8%), the fund of which are generally administered by Pension Fund Administrators. Contributions to these plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

##### **Defined benefit schemes**

Employees' end of service gratuities are regarded as post employment benefits.

The company only make provision for gratuity based on its company policy. It is being handled in-house and its unfunded as at reporting date.

The company's defined benefit schemes is not reported in line with International Accounting Standard (IAS 19).

### 3.10 Intangible Assets

Intangible assets comprise of the following:

#### **Intangible Assets - Computer Software**

Computer Software - acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives. Costs associated with maintaining computer software programmes are recognized as expenses incurred.

Computer software costs recognised as intangible assets are amortised on the straight-line basis at rates appropriate to the expected useful lives of the assets from the date that the assets are available for use and are carried at cost less accumulated amortisation and accumulated impairment losses. The carrying amount of capitalised computer software is reviewed annually and is written down when impaired. Amortisation methods, useful lives and residual values are reviewed at each financial year end and adjusted, if necessary.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

#### **Intangible Assets - Goodwill**

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets

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acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

### 3.11 Income Tax Liability

Income Tax Liability include Current tax which represents the expected tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years. It also includes Education tax chargeable on assessable profit at 2%.

### 3.12 Deferred Taxation

Deferred tax is recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base. Recognition of deferred tax is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilized. The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/ (assets) are settled/ (recovered).

### 3.13 Dividend

Dividends are recognized when they become legally payable. Dividend distribution to the company's shareholders is recognized as a liability in the company's financial statements in the period in which the dividend is approved by the company's shareholders at the AGM or paid.

### 3.14 Property, Plant and Equipment

#### i. Leasehold Land

Leasehold Land are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

#### ii. Other Property Plant & Equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. However, the company does not have such dismantling cost provisioning.

Increases in carrying amounts arising from revaluation are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increases are recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

#### Subsequent Expenditure

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or its subsequent revalued amount less its residual value.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful lives.

It is provided at the following rates:

	<b>Years of useful lives</b>
Leasehold Land	15 years
Computer Equipment	5 years
Building	28.5 years
Plant and Machinery	10 years
Furniture and Fittings	4 years
Office Equipment	5 years
Motor Vehicle	4 years

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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 charged to income in the year the asset is derecognized.

### 3.15 Impairment of Non-financial assets

Whenever events or new circumstances indicate that the carrying amount of an asset may not be recoverable, an impairment test is performed. The purpose of this test is to compare the carrying value of the asset with its recoverable amount. The recoverable amount is determined by reference to the smallest Cash Generating Unit (CGU) to which the asset belongs.

The recoverable amount is the higher of the fair value less costs to sell and the value in use, which is the present value of the future cash flows expected to be derived from the use of the asset or its disposal. When the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized in "other operating income and expenses".

When an impairment loss is recognized for a cash-generating unit, the loss is allocated first to reduce the carrying amount of the goodwill allocated to the CGU if any, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. After the impairment loss, the new carrying value of the asset is depreciated prospectively over its remaining life.

Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each year end. The carrying value of the assets, revised due to the increase of the recoverable value of the assets, cannot exceed the carrying amount (net of depreciation) that would have been determined had no impairment been recognized in prior periods. Such reversal is recognized in the statement of profit or loss.

The following criteria are also applied in assessing impairment of specific assets:

#### 3.15.1 Intangible Assets-Goodwill

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

### 3.16 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for any obsolescence and damages determined by the management. Costs are those expenses incurred in bringing each product to its present location and condition which are computed as follows:

#### Spare parts and Consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

The company's management determines the estimated amount of slow moving inventories. This estimate is based on the age of items in inventories and this provision is subject to change as a result of technical innovations and the usage of items.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

### 3.17 Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include:

- i. Entities over which the company exercises significant influence
- ii. Shareholders and key management personnel of the company.
- iii. Close family members of key management personnel
- iv. Post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the company.

The company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation methods.

The company includes Company Secretary, Head of all department in its definition of key management personnel. Disclosure of their compensation such as short term benefit and emolument are stated.

### 3.18 Basic Earnings Per Share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity holders of the company by the weighted average number of ordinary shares outstanding at the statement of financial position date.

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### 3.19 Provisions

A Provision is recognized if, as a result of a past event, the company 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 take account of all identifiable future payment obligations, risks, and uncertain obligations of the company resulting from current legal or constructive obligations arising from past events where the amount of the obligation can be measured reliably.

### 3.20 Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3.21 Contingencies

Contingent liabilities are not recognized in the statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the statement of financial position but disclosed when an inflow of economic benefits is probable.

### 3.22 Lease

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### The Company as a lessee

Finance leases that transfer to the Company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

#### The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

### 3.23 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### 3.24 Investment Properties

Investment property is property held to earn rentals. Investment property is stated at cost and not at fair value determined at balance sheet date by an independent sworn appraiser based on market evidence of the most recent prices achieved in arm's length transactions of similar properties in the same areas.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the regulatory authorities.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for it in accordance with the policy stated under property, plant and equipment up to the date of change.

## 4. Significant Accounting Judgements, Estimates and Assumptions

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The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the company. Such changes are reflected in the assumptions when they occur.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of assumption, estimation, uncertainties and critical judgments in applying the accounting policies that have the most significant effect on the amount recognised in the financial statements include the following:

### **Taxes**

Uncertainties exist with respect to the amount and timing of future taxable income. Given the complexity of existing contractual agreement, differences arising between the actual results and the assumptions made could necessitate future adjustment to tax income and expenses already recorded. The company establishes provisions based on reasonable estimates.

### **Defined benefits obligation**

The cost of defined benefit plans and the present value of the benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. This includes the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

### **Accounts receivable**

The allowance for doubtful accounts involves management judgment and review of individual receivable balances based on an individual customer's prior payment record, current economic trends and analysis of historical bad debts of a similar type. See Note 5 under the company financial risk management for further explanation.

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

Judgments are utilised in determining the depreciation and amortisation rates and useful lives of these assets at the end of the year.

Property, plant and equipment are depreciated over its useful life. Skyway Aviation Handling Company Limited estimates the useful lives of plant and machinery based on the period over which the assets are expected to be available for use. The estimation of the useful lives of plant and machinery are based on technical evaluations carried out by those staff with knowledge of the machines and experience with similar assets. Estimates could change if expectations differ due to physical wear and tear and technical or commercial obsolescence. It is possible however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and machinery would increase expenses and decrease the value of non-current assets.

## **5. Risk Management**

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation and policies through the company's senior management.

The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and risk appetite.

The company's financial instruments are exposed to certain financial risk including credit risk, liquidity risk, commodity risk and interest rate risk. The company's exposure to these risks and its methods of managing the risks remain consistent.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

### **5.1 Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Management assesses the credit risk of new customers before entering into contracts with such customers. Purchase limits are established for each customer based on the credit risk assessment.



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Management determines concentrations of credit risk by quarterly monitoring the creditworthiness of existing customers and through a monthly review of the trade receivables' ageing analysis.

### 5.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the company's normal operating requirements on an ongoing basis and its expansionary plans.

The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of not less than 90days.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

### 5.3 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its loans. The risk that the Company will realize a loss as a result of a decline in the fair value of loans is limited because the company's loans are based on market interest rate. The Company monitors its exposure to interest rates annually.

#### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings (There is only an immaterial impact on the Company's equity):

### 5.4 Capital Management

Capital consists of share capital, retained earnings and other reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

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	3 months ended		Year ended 31 December			
	31 March					
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>6. REVENUE</b>						
Foreign Handling (Note 6.1)	338,598	1,277,329	1,701,581	1,352,899	1,155,088	1,035,833
Domestic Handling	166,460	509,406	740,474	842,935	971,635	1,154,969
Ad-hoc Handling	482	6,948	4,027	10,249	410	-
Cargo Handling Income (Note 6.2)	716,512	2,311,540	1,799,073	-	-	-
Cargo Handling -Export (Note 6.2)	55,431	214,345	67,399	-	-	-
Cargo Warehouse Income	-	-	-	1,631,888	1,769,625	1,622,403
VIP Lounge Service Income	3,089	23,791	26,274	19,139	9,596	13,948
Hajj Operations	-	186,249	184,797	162,179	159,089	187,786
Equipment Rental (Note 6.3)	66,153	268,847	324,676	397,194	349,241	33,507
Haulage/ Crew Bus Services	8,022	10,542	14,351	1,184	639	2,062
DCS/ PAX Handling Income	2,092	12,308	12,808	14,069	9,560	3,349
Baggage Reconciliation System Handling	-	-	-	-	-	1,764
Airport Security Services	4,734	18,143	14,817	2,861	-	-
Christian Pilgrimage Handling	1,259	17,143	9,121	35,028	36,699	50,382
	1,362,832	4,856,591	4,899,398	4,469,625	4,461,582	4,106,003
Discount Allowed	(116)	(129)	-	(5,985)	(15,755)	(23,128)
	<b>1,362,716</b>	<b>4,856,462</b>	<b>4,899,398</b>	<b>4,463,640</b>	<b>4,445,827</b>	<b>4,082,875</b>

### **Major Sources of income include:**

- 6.1 Foreign and Domestic Handling:** This include income from aircraft handling raised for Ramp Services, passenger profiling, security and baggage handling (Loading and offloading).
- 6.2 Cargo Handling:** These includes income from Cargo documentation services rendered to airlines which include import and export cargo facilitation through Nigeria's biggest network of customers bonded warehouses in Lagos, Kano, Abuja and Port-Harcourt, using Hermes computerisation system, which ensures safe storage and easy retrieval of cargos
- 6.3 Equipment rental:** The company leases it equipment to airlines for services that are not covered in the standard Ground Handling Agreement.

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	3 months ended					
	31 March	Year ended 31 December				
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>7. DIRECT COST</b>						
Cargo Shed/ Warehouse	128,934	64,170	60,551	58,652	88,689	43,461
Concession Fees	51,960	250,552	257,151	236,836	229,308	204,290
Pax Handling	-	589	3,085	642	-	2,327
Oil & Lubricants	14,029	73,746	37,723	52,980	36,394	68,085
VIP Lounge	753	10,306	3,254	7,880	4,046	4,755
DCS/ Check in Counter	-	-	10,352	14,571	12,055	20,165
Baggage Logistics Expenses	307	4,261	6,692	4,225	4,745	-
Equipment Running	40,163	180,714	105,107	87,884	86,284	45,806
Equipment Repairs	31,070	214,779	70,978	51,068	51,323	28,130
Ground Equipment Spares	2,133	221	677	1,860	5,042	46,600
RAMP	2,291	8,363	12,782	6,924	6,223	1,893
Hajj Operation	2,519	50,225	49,060	56,582	65,742	49,897
Christian Pilgrimage	-	2,892	1,812	6,408	3,705	5,045
Cargo Warehouse Incentives	503	4,885	55	-	-	11,220
Direct Labour Cost	288,080	1,134,710	1,142,367	1,171,161	1,040,196	1,014,987
Other Direct Costs	630	1,068	1,912	-	-	-
Statutory Training costs	-	100	119	-	-	-
Miscellaneous Cost	-	3,855	921	388	17	17
	563,372	2,005,436	1,764,598	1,758,061	1,633,769	1,546,678
Depreciation	163,485	651,377	637,373	580,413	473,946	407,077
	<b>726,857</b>	<b>2,656,813</b>	<b>2,401,971</b>	<b>2,338,474</b>	<b>2,107,715</b>	<b>1,953,755</b>

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

	3 months ended					
	31 March	Year ended 31 December				
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>8. OTHER OPERATING INCOME</b>						
Discount Received	-	167	819	12,715	1,072	255
Rental Income	29,385	124,816	88,299	32,720	23,921	6,116
Insurance Claim	-	-	-	1,548	9,670	2,480
Refund	-	-	-	-	-	2,852
Interest Received/Finance income	202	632	462	623	2,630	901
Others (Scrap etc.)	-	5,254	6,046	19,207	9,745	131,972
	29,587	130,869	95,626	66,813	47,038	144,576
Gains on disposal of Fixed Assets	-	-	473	-	-	-
Loss on disposal of Fixed Assets	-	-	-	-	-	(7,849)
Foreign Exchange Gain	-	49,474	243,983	32,279	17,027	9,221
	<b>29,587</b>	<b>180,343</b>	<b>340,082</b>	<b>99,092</b>	<b>64,065</b>	<b>145,948</b>

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	3 months ended		Year ended 31 December			
	31 March					
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>9. ADMINISTRATION EXPENSES</b>						
Employee Benefit Expenses (Note 10)	174,002	706,748	672,118	717,010	699,921	538,952
Depreciation	84,983	345,315	361,903	282,833	142,108	110,892
Printing & Stationery	3,902	12,226	12,069	13,705	16,583	10,981
Transport & Traveling	11,210	54,258	26,569	59,831	63,703	75,357
Vehicle Running Expenses	11,427	33,403	32,925	35,654	37,570	-
Telecommunication & Courier	11,364	55,223	49,233	34,507	29,102	23,888
Staff Training & Development	1,507	13,913	10,838	48,000	54,249	37,038
Advertisement & Publications	1,683	3,714	7,173	8,406	8,316	4,977
Public Relations	20,629	4,931	5,730	8,685	24,066	47,552
Sales Promotion	-	1,150	23,836	57,428	40,499	-
Subscription	802	2,767	1,376	3,177	1,479	2,313
Exchange Loss	93,607	-	-	-	-	-
Newspaper, Periodical & Magaz.	279	1,102	1,202	2,368	1,459	2,648
Rent & Electricity	105,427	281,137	193,033	87,463	178,764	120,796
Medical Expenses	17,769	37,568	60,526	58,302	51,457	37,229
Insurance Premium	9,191	36,070	26,808	50,507	55,717	28,100
Legal Expenses	4,145	68,305	11,731	-	1,500	43,912
Audit Fees	1,250	5,000	5,000	6,300	6,300	4,000
Repairs of Office Equipment	1,499	13,339	4,936	6,851	1,853	62,992
Repairs & Mtce of Building	1,802	20,979	23,091	11,410	9,453	-
Entertainment	1,509	2,872	5,513	10,215	9,758	9,152
Navasion error written off	-	-	-	-	-	82,423
Gifts & Donations	15,340	43,542	15,360	21,557	43,473	29,019
Hotel & Accommodation	1,051	5,168	1,905	4,074	3,936	-
Cash Theft	-	-	81	-	-	-
Repair of Furniture & Fittings	1,561	9,208	7,900	8,180	11,840	-
Computer Support & Accessories	3,365	12,548	9,469	5,286	6,763	-
Lighting & Fitting Expenses	289	3,244	3,063	3,835	4,687	3,756
Premises Upkeep & Cleaning	7,027	24,130	27,365	30,871	7,005	11,707
Special Security Expenses	3,265	11,763	12,002	9,489	10,213	36,009
General Administ. Expenses	862	5,667	8,728	9,788	6,044	-
Board Meeting Expenses (Note 10.2)	-	10,854	2,590	1,110	1,576	1,131
Recruitment Expenses	28	-	8	1,398	1,181	-
Staff Welfare Expenses	15,150	1,060	2,060	9,363	25,076	-
Professional & Business Fees	2,951	17,100	15,401	11,642	12,129	-
Directors Expenses	6,190	31,143	96,496	3,940	18,090	3,955
Bad Debt Written off	270	2,282	22,104	4,197	1,305	-
Government Levies	366	153	180	212	92	-
Management Retreat	-	-	-	11,816	7,662	-
Impairment of trade receivables (Note 17.1)	-	208,112	147,994	190,766	172,686	-
Other Administrative Cost	3,840	16,738	40,413	11,951	9,919	35,969
	<b>619,542</b>	<b>2,102,732</b>	<b>1,948,729</b>	<b>1,842,127</b>	<b>1,777,534</b>	<b>1,364,748</b>

## HISTORICAL FINANCIAL INFORMATION

	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>10. EMPLOYEE BENEFIT EXPENSES</b>						
Salary and wages	103,045	458,613	431,474	478,735	451,454	358,484
Pension Fund Contribution	5,735	23,322	25,283	27,551	21,463	17,700
Annual Leave Allowance	6,992	28,175	31,325	31,405	30,786	28,825
Gratuity & Terminal Pay	29,879	99,913	76,526	97,955	102,852	87,314
meal allowance	-	1,621	-	-	-	-
Overtime Allowance	3,945	8,151	3,877	4,392	3,768	3,169
13th Month Salary	13,833	55,220	76,942	41,501	49,825	13,084
Permanent Staff Allowance	-	1,068	-	2,146	3,368	3,023
Other Allowance	690	2,490	1,921	9,110	9,748	7,995
ITF Contribution	6,574	15,313	14,225	13,673	16,371	12,510
NSITF Contribution	3,309	12,862	10,545	10,542	10,286	6,848
	<b>174,002</b>	<b>706,748</b>	<b>672,118</b>	<b>717,010</b>	<b>699,921</b>	<b>538,952</b>
<b>10.1 The Average number of employees per department:</b>						
Operations	1,345	1,345	1,316	1,361	1,693	1,216
Administrations	78	78	128	128	264	190
	<b>1,423</b>	<b>1,423</b>	<b>1,444</b>	<b>1,489</b>	<b>1,957</b>	<b>1,406</b>
	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>10.2 Directors' Remuneration:</b>						
Directors' fees	12,300	96,079	44,354	7,880	9,720	9,540
Board Meeting Expenses	-	10,854	2,590	1,110	1,576	1,131
	<b>12,300</b>	<b>106,933</b>	<b>46,944</b>	<b>8,990</b>	<b>11,296</b>	<b>10,671</b>
	31-Mar-2018	31-Dec-17	31-Dec-16	31-Dec-15	31-Dec-14	31-Dec-13
	RANGE	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
< 1000000	1,004	1,004	1,017	1,064	1,465	355
1000000-2000000	341	341	344	333	384	672
2000001-3000000	51	51	52	56	65	189
3000001-4000000	14	14	16	20	21	115
4000001-5000000	9	9	10	10	13	35
5000001-6000000	-	-	-	-	1	13
6000001-7000000	-	-	-	-	-	18
7000001-8000000	4	4	5	6	8	2
8000001-12000000	-	-	-	-	-	7
	<b>1,423</b>	<b>1,423</b>	<b>1,444</b>	<b>1,489</b>	<b>1,957</b>	<b>1,406</b>

## HISTORICAL FINANCIAL INFORMATION

	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>11. FINANCE EXPENSE</b>						
Bank Charges	3,159	9,136	22,602	26,999	40,142	26,781
Interest on Loan	20,063	142,222	198,539	213,089	149,979	165,490
	<b>23,222</b>	<b>151,358</b>	<b>221,141</b>	<b>240,088</b>	<b>190,121</b>	<b>192,271</b>

### 12. EARNINGS PER SHARE

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

	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Net (loss)/profit attributable to ordinary equity holders	(25,381)	217,728	897,014	(69,656)	635,801	909,729

	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014	2013
	Number	Number	Number	Number	Number	Number
Weighted average number of ordinary shares	425,000	425,000	425,000	425,000	425,000	425,000
Basic (loss)/earning per ordinary shares (N)	<b>(0.06)</b>	<b>0.51</b>	<b>2.11</b>	<b>(0.16)</b>	<b>1.50</b>	<b>2.14</b>
Diluted (loss)/earnings per ordinary shares (N)	<b>(0.06)</b>	<b>0.51</b>	<b>2.11</b>	<b>(0.16)</b>	<b>1.50</b>	<b>2.14</b>

### 13. PROPERTY, PLANT AND EQUIPMENT

Cost	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Leasehold Land	49,140	49,140	49,140	49,140	78,428	78,428
Building	4,167,167	3,370,978	3,309,489	2,814,227	2,675,749	2,011,627
Motor Vehicle & Trucks	190,578	285,044	272,033	241,415	226,958	218,029
Plant & Machinery	10,823,749	6,549,978	6,515,947	6,367,543	5,287,178	4,486,735
Furniture, Fixture & Fittings	532,649	646,043	634,327	628,459	587,084	50,869
Computer Equipment	44,962	172,385	161,718	129,925	128,460	87,145
Office Equipment	159,178	160,329	151,970	128,938	116,771	56,896
Capital WIP	-	-	-	136,162	339,359	324,528
Sundry Tools	31,839	31,839	31,239	27,793	27,719	23,542
	<b>15,999,262</b>	<b>11,265,736</b>	<b>11,125,863</b>	<b>10,523,602</b>	<b>9,467,706</b>	<b>7,337,799</b>

## HISTORICAL FINANCIAL INFORMATION

<b>Accumulated Depreciation</b>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Leasehold Land	27,027	26,208	22,932	16,380	-	-
Building	-	383,241	271,393	154,630	93,616	70,632
Motor Vehicle & Trucks	-	236,800	219,074	198,148	165,110	125,720
Plant & Machinery	5,633	3,509,497	2,858,120	2,220,747	1,677,986	1,204,040
Furniture, Fixture & Fittings	47	510,134	362,800	216,208	72,524	33,700
Computer Equipment	2,464	127,661	104,182	70,547	55,325	32,562
Office Equipment	230	105,390	80,948	58,584	37,944	26,159
Capital WIP	-	-	-	-	-	-
Sundry Tools	26,866	26,348	23,261	19,091	14,478	9,588
	<u>62,267</u>	<u>4,925,279</u>	<u>3,942,710</u>	<u>2,954,335</u>	<u>2,116,983</u>	<u>1,502,401</u>
<b>Net Book Value</b>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Leasehold Land	22,113	22,932	26,208	32,760	78,428	78,428
Building	4,167,167	2,987,737	3,038,096	2,659,597	2,582,133	1,940,995
Motor Vehicle & Trucks	190,578	48,245	52,959	43,267	61,848	92,309
Plant & Machinery	10,818,116	3,040,481	3,657,827	4,146,796	3,609,192	3,282,695
Furniture, Fixture & Fittings	532,602	135,908	271,527	412,251	514,560	17,169
Computer Equipment	42,498	44,723	57,536	59,378	73,135	54,583
Office Equipment	158,948	54,939	71,022	70,354	78,827	30,737
Capital WIP	-	-	-	136,162	339,359	324,528
Sundry Tools	4,973	5,492	7,978	8,702	13,241	13,954
	<u>15,936,995</u>	<u>6,340,457</u>	<u>7,183,153</u>	<u>7,569,267</u>	<u>7,350,723</u>	<u>5,835,398</u>

### 13.1 Revaluation Adjustment

The Company's Property, Plant & Equipments were revalued on March 29, 2018 by Messrs. Ubosi Eleh & Company (Estate Surveyors and Valuers) using the Market Value Basis of valuation (i.e. between a willing buyer and a willing seller). The surplus arising on revaluation amounting to N9.7billion has been transferred to revaluation reserve. The Property, Plant & Equipments are stated in these financial statements at such valuation with additional cost to date.

Leasehold Land and sundry tools are stated at cost and as such do not fall under any class of the revalued asset by the Independent Valuers.

### 13.2 Assets pledged as security

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

### 13.3 Change in Accounting Policies

During 2018, the management conducted a review on its Property, Plant and Equipment and Investment Properties which resulted in changes in the carrying value of the PPE. Based on IAS 8, the effect of these changes is required to be applied retrospectively but management considers it impracticable to apply it in the prior periods.

## HISTORICAL FINANCIAL INFORMATION

14. INVESTMENT PROPERTIES	31 March			31 December		
	2018	2017	2016	2015	2014	2013
Cost	N'000	N'000	N'000	N'000	N'000	N'000
Balance at the beginning of the period/year	340,978	334,850	253,913	-	-	-
Additions	3,705	6,128	80,937	-	-	-
Transfer	-	-	-	253,913	-	-
Balance at the end of the period/year	<u>344,683</u>	<u>340,978</u>	<u>334,850</u>	<u>253,913</u>	-	-
<b>Accumulated Depreciation</b>						
Balance at the beginning of the period/year	31,476	19,674	9,745	-	-	-
Charge for the year	2,984	11,802	9,929	-	-	-
Revaluation Adjustment	-	-	-	-	-	-
Transfer	-	-	-	9,745	-	-
Balance at the end of the period/year	<u>34,460</u>	<u>31,476</u>	<u>19,674</u>	<u>9,745</u>	-	-
<b>Carrying amount</b>	<b><u>310,223</u></b>	<b><u>309,502</u></b>	<b><u>315,176</u></b>	<b><u>244,168</u></b>	-	-

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

The fair value of the Investment Properties as at the reporting period was ₦517.88million.

### a) Description of the Investment Properties

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

### b) Contractual obligations

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

### c) Leasing arrangements

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

### d) Non-current assets pledged as security

Refer to note 22 for information on non-current assets pledged as security by the company.

### e) Contractual obligations

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



## HISTORICAL FINANCIAL INFORMATION

15. INTANGIBLE ASSETS	31 March			31 December		
	2018	2017	2016	2015	2014	2013
Cost	N'000					
<b>Goodwill</b>						
Opening Balance	4,057,388	4,057,388	4,057,388	4,057,388	4,057,388	4,057,388
Addition						-
	<u>4,057,388</u>	<u>4,057,388</u>	<u>4,057,388</u>	<u>4,057,388</u>	<u>4,057,388</u>	<u>4,057,388</u>
<b>Computer software</b>						
Opening Balance	-	-	-	16,877	14,721	14,721
Addition	-	-	-		2,156	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,877</u>	<u>16,877</u>	<u>14,721</u>
<b>Amortization</b>						
<b>Goodwill</b>						
Opening Balance	-	-	-	-	-	-
Amortization	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Computer software</b>						
Opening Balance	-	-	-	8,437	6,965	5,493
Amortization	-	-	-	1,688	1,472	1,472
	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,125</u>	<u>8,437</u>	<u>6,965</u>
<b>Net book value</b>						
Goodwill	4,057,388	4,057,388	4,057,388	4,057,388	4,057,388	4,057,388
Computer software	-	-	-	6,752	8,440	7,756
Total Intangibles NBV	<u>4,057,388</u>	<u>4,057,388</u>	<u>4,057,388</u>	<u>4,064,140</u>	<u>4,065,828</u>	<u>4,065,144</u>

The majority of the Goodwill had been allocated to aircraft handling and cargo handling cash generating units (CGUs). Goodwill recognized in the account does not have useful life, hence not subject to annual amortization. However, an annual impairment test has been carried out at the reporting date

### Impairment test

There was no impairment loss on Goodwill during the year.

### Aircraft Handling (Foreign & Domestic) and Cargo Handling

The recoverable amount of these CGUs was based on its value in use, determined by discounting the future cash flows to be generated from the continuous use of the CGUs. The carrying amount of the CGUs was determined to be lower than the recoverable amount of ₦20.5 billion and no impairment loss was recognised (2017: Nil). Therefore, no impairment Loss was allocated to Goodwill

**The key assumptions used in the estimation of value in use were as follows;**

## HISTORICAL FINANCIAL INFORMATION

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	%	%	%	%	%	%
Discounted rate	12.75	12.75				
Terminal value growth rate	20	20				
Budgeted EBITDA growth rate (average of next five year)	3	3				

The discount rate was a pre-tax measure based on the rate of 5-year government bonds issued by the government in the relevant market and in the same currency as the cashflows.

Five years of cashflows were included in the discounted cash flow model. A long term growth rate into perpetuity has been determined as the lower of the nominal gross domestic product rate and the long term compound annual EBITDA growth rate estimated by the management.

Budgeted EBITDA was based on the expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. The revenue growth was projected taking into account the average growth levels experienced over the past five years.

Following the annual test of impairment carried at the reporting date, the estimated recoverable amount exceeded its carrying amount by approximately ₦16.5 billion.

### 16. INVENTORIES

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
GE Spares	141,660	118,395	171,128	115,172	57,162	-
Oil and Lubricants	6,179	2,473	3,717	3,300	24,393	-
Goods-in-Transit	-	-	-	9,635	9,382	13,707
	147,839	120,868	174,845	128,107	90,937	13,707

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

The company's inventories were also not written down during the period (2018 - Nil).

### 17. TRADE AND OTHER RECEIVABLES

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Trade Receivables	2,205,592	2,194,938	1,898,453	1,498,968	1,451,071	1,293,259
Less: Impairment (Note 17.1)	(759,915)	(759,915)	(578,115)	(430,121)	(239,355)	(66,669)
	1,445,677	1,435,023	1,320,338	1,068,847	1,211,716	1,226,590
<b>OTHER RECEIVABLES</b>						
Loan to ABX World	51,000	51,000	51,000	51,000	51,000	51,000
Due from related parties (Note 23.2)	170,869	146,389	146,389	-	55,200	58,380
Advance to Suppliers (Note 17.1b)	126,771	75,092	87,133	-	-	-
Other Receivables (Note 17.1c)	171,451	151,699	332,047	-	-	-
Director Current Account	-	-	-	-	99,500	99,500
Staff Loan	4,034	3,624	8,999	15,715	17,754	23,487
Prepayment	55,264	19,427	23,738	320,948	199,983	190,796
	<b>2,025,066</b>	<b>1,882,254</b>	<b>1,969,644</b>	<b>1,456,510</b>	<b>1,635,153</b>	<b>1,649,753</b>

## HISTORICAL FINANCIAL INFORMATION

For terms and conditions relating to Trade receivables, refer to Note 5 (Financial Risk Management on Credit risk) which discusses how the Company manages and measures credit quality of trade receivables that are neither past due nor impaired. Trade receivables are non-interest bearing and are generally on terms of 30-90 days.

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

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
<b>17.1 a) Allowance for impairment on trade receivables</b>						
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Balance at the beginning of the period/year	786,226	578,114	430,120	239,354	66,669	66,669
Allowance for impairment for the period/year	-	208,112	147,994	190,766	172,685	0
Balance at end of the period/year	<b>786,226</b>	<b>786,226</b>	<b>578,114</b>	<b>430,120</b>	<b>239,354</b>	<b>66,669</b>
<b>b) Advance to Suppliers</b>						
Cash with Suppliers	153,083	101,404	87,133	47,101	-	-
Allowance for impairment of advance to suppliers	(26,312)	(26,312)	-	-	-	-
	<b>126,771</b>	<b>75,092</b>	<b>87,133</b>	<b>47,101</b>	<b>-</b>	<b>-</b>
<b>c) Other Receivables</b>						
Staff Advance for Expenses	28,617	19,627	27,890	18,981	-	-
Withholding Tax Receivables	142,834	128,331	289,801	228,308	-	-
Rent Receivables	-	3,740	14,354	-	-	-
	<b>171,451</b>	<b>151,698</b>	<b>332,045</b>	<b>247,290</b>	<b>-</b>	<b>-</b>

### d) Staff Loan

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

### e) Prepayments

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

## 18. CASH AND CASH EQUIVALENTS

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Cash on Hand	2,025	11,078	4,418	768	9,496	3,044
Cash at bank	736,427	825,827	364,592	342,885	210,519	342,246
Short term deposits	51,701	51,519	50,968	7,847	86,644	16,142
	<b>790,153</b>	<b>888,424</b>	<b>419,978</b>	<b>351,500</b>	<b>306,659</b>	<b>361,432</b>

For the purpose of statement of cash flow, cash and cash equivalents are as stated above.

## HISTORICAL FINANCIAL INFORMATION

### 19. TRADE AND OTHER PAYABLES

	31 March			31 December		
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Trade Payables	559,286	197,741	171,773	613,197	778,061	670,065
Customers Deposits	20,374	13,944	13,375			
Due to Related Parties (Note 23.2)	54,505	148,205	207,554	426,589	571,109	471,109
Provision for concession fee	477,357	803,532	557,260			
Insurance Claim Payable	-	-	2,803			
Other Payables	281,426	268,313	647,543	1,523,284	1,185,480	961,724
Accruals (Note 19.2)	61,741	46,710	124,957			
Other payables – tax and social security payments (Note 19.3)	1,061,076	1,020,712	832,939			
	<b>2,515,765</b>	<b>2,499,157</b>	<b>2,558,204</b>	<b>2,563,070</b>	<b>2,534,650</b>	<b>2,102,898</b>

Terms and conditions of the above financial liabilities:

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

19.2 Accruals	31 March			31 December		
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Stamp Duties	7,232	7,199	7,444	-	-	-
Others	54,509	39,511	117,513	-	-	-
	<b>61,741</b>	<b>46,710</b>	<b>124,957</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 19.3 Other payables – tax and social security payments

Withholding tax payables	4,615	20,585	35,749	-	-	-
Value added tax payable	860,908	829,410	641,125	-	-	-
ITF contribution	676	12,225	14,225	-	-	-
NSITF contribution payable	21,845	19,639	14,510	-	-	-
Pension	99,493	99,350	92,487	-	-	-
PAYE	1,740	5,044	-	-	-	-
Cooperative and thrift	69,169	31,831	32,337	-	-	-
Union dues	620	618	496	-	-	-
Federal Housing Loan	2,010	2,010	2,010	-	-	-
	<b>1,061,076</b>	<b>1,020,712</b>	<b>832,939</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 20. DEPOSIT FOR SHARES

#### Movement in deposit for shares

	31 March			December		
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
As at beginning of the period/year	5,035,800	5,035,800	5,035,800	5,035,800	5,135,300	5,135,300
Directors current account	-	-	-	(99,500)	-	-
As at end of the period/year	<b>5,035,800</b>	<b>5,035,800</b>	<b>5,035,800</b>	<b>5,035,800</b>	<b>5,135,300</b>	<b>5,135,300</b>

## HISTORICAL FINANCIAL INFORMATION

Deposit for shares are funds of the chairman of the Company - Bar. (Dr.) Afolabi Taiwo that are yet to be authorised and issued as share capital. There has not been any new shares issue since the deposit was made. The deposit is non-interest bearing.

21. EMPLOYEE BENEFIT LIABILITY	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
<b>No. of Employee</b>	995	995	1,024	1,076	1,509	1,313
Balance as at beginning	439,604	390,791	380,434	324,628	243,048	196,689
Provision during the year	29,880	99,913	76,526	97,955	102,852	87,314
	469,484	490,704	456,960	422,583	345,900	284,003
Less: Payment to beneficiary	(25,500)	(51,100)	(66,168)	(42,150)	(21,272)	(40,955)
<b>Balance as at ending</b>	<b>443,984</b>	<b>439,604</b>	<b>390,792</b>	<b>380,433</b>	<b>324,628</b>	<b>243,048</b>

22. BORROWINGS	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Guaranty Trust Bank Plc.	-	77,266	288,647	690,484	-	-
Ecobank Nigeria Plc.	366,482	421,421	627,197	545,323	-	-
Facility for Air Start	-	-	-	-	26,653	39,979
Facility for 15i FMC	-	-	-	-	33,200	49,800
Facility for 30i FMC	-	-	-	-	50,850	76,274
Facility for 40i FMC	-	-	-	-	57,121	85,682
Facility for Tow Tractor- 10	-	-	-	-	38,706	58,058
Facility for Belt Loader - 10	-	-	-	-	47,423	65,411
Facility for Pallet Dollies	-	-	-	-	27,359	41,633
Facility for Pushback	-	-	-	-	46,991	70,486
Facility for Mallaghan Pax STE	-	-	-	-	59,994	89,991
Other Facilities	-	-	-	-	706,206	118,910
	<b>366,482</b>	<b>498,687</b>	<b>915,844</b>	<b>1,235,807</b>	<b>1,094,503</b>	<b>696,224</b>

### Terms of the facility

All the facility listed above are obtained from Guaranty Trust Bank Plc except for ₦545 Million Ecobank Facility obtained in 2015 (4 year Tenor). The facility is for a tenor of 5 years effective 2013. The average interest rate on the facility is 18%. The facility is secured against fixed and floating assets of the company and personal guarantee of the Chairman.

The maturity profile of borrowings is as follows:	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Due in the next one year	205,777	283,043	375,223	443,569	392,851	696,224
Due in the second year	160,705	205,777	216,248	433,920	384,305	-
Due in the third year and above	-	9,867	324,373	358,318	317,347	-
	<b>366,482</b>	<b>498,687</b>	<b>915,844</b>	<b>1,235,807</b>	<b>1,094,503</b>	<b>696,224</b>

## HISTORICAL FINANCIAL INFORMATION

### Classification of borrowings:

Current	205,777	283,043	375,223	443,569	392,851	696,224
Non Current	160,705	215,644	540,621	792,238	701,652	-
	<u>366,482</u>	<u>498,687</u>	<u>915,844</u>	<u>1,235,807</u>	<u>1,094,503</u>	<u>696,224</u>

### Reconciliation of movements of Liabilities to cashflows arising from Financing Activities Changes from Financing Cashflows

	31 March			31 December		
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Opening Balance	498,687	915,844	1,235,807	1,094,503	696,224	93,647
Additional Borrowings	-	-	177,226	545,322	950,000	652,781
Repayment of Borrowings	(132,205)	(417,157)	(497,189)	(404,018)	(551,721)	(50,204)
<b>Closing Balance</b>	<b>366,482</b>	<b>498,687</b>	<b>915,844</b>	<b>1,235,807</b>	<b>1,094,503</b>	<b>696,224</b>

### Guaranty Trust Bank Plc. -Term Loans

This is made up of twenty-one different facilities that were sourced to finance equipment and other purposes. The facilities are for a tenor of 5years effective 2013. The average interest rate on the facility is 18%. The facility is secured against fixed and floating assets of the company and the personal guarantee of the Chairman.

### Ecobank Nigeria Plc- Term Loan

This is a facility of ₦776,960,000 in seven tranches which was sourced to finance the purchase of ground handling equipment for the Company's aviation project. The facility is for a tenor of 4years effective 2015. The interest rate on the facility is 19%. The facility is secured against fixed and floating assets of the company and personal guarantee of the Chairman.

## 23. RELATED PARTY

The company entered into various transaction with related parties in the ordinary course of business. Details of the transactions between the Company and other related parties are disclosed below:

### 23.1 Identity of Related Party

Port and Cargo Handling Services Company Limited  
Sifax Liberia Limited  
Sifax Shipping Company Limited

#### Cargo Handling Services Company Limited

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

#### Sifax Liberia Limited

Sifax Liberia Limited (SLL) was incorporated as a joint venture company between Silver Lake Energy Inc (a 100% Liberian owned corporate entity with 60% equity shares in the joint venture company) and the Sifax Group (a Nigerian incorporated conglomerate with operations in many countries and having 40% equity shares in the joint venture company). The amount outstanding represent cost of incorporation incurred by Skyway Aviation Handling Company Limited on behalf of the company.

## HISTORICAL FINANCIAL INFORMATION

### Sifax Shipping Company Limited

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

	31 March			31 December		
	2018	2017	2016	2015	2014	2013
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
<b>23.2 Outstanding Balances</b>						
<b>Due to related entities</b>						
Port and Cargo Handling Services Company Limited	26,735	54,735	183,886	410,426	421,109	421,109
Sifax Shipping Company Limited	9,406	75,106	5,106	16,163	150,000	50,000
Sifax Offdock Nigeria Ltd	18,364	18,364	18,364	-	-	-
Sifax Haulage & Logistic Ltd	-	-	198	-	-	-
	<b>54,505</b>	<b>148,205</b>	<b>207,554</b>	<b>426,589</b>	<b>571,109</b>	<b>471,109</b>
<b>Due from related entities</b>						
Sifax Liberia Limited	170,869	146,389	146,389	-	55,200	58,380
	<b>170,869</b>	<b>146,389</b>	<b>146,389</b>	<b>-</b>	<b>55,200</b>	<b>58,380</b>

### 23.3 Other Key Related Parties

Barrister Oladipo Kayode Filani and Mrs. Afolabi Abosede Folashade are directors who during the year had related party transactions with the Company.

Barrister Filani's firm (Kayode Filani and Co.) which renders legal advice to the Company earned professional fees of ₦1,500,000 during the year while Mrs. Afolabi's through her construction company, Macjosnack Construction Nig. Limited was paid a total sum of ₦206,941,310 for construction services during the year ended 31 December, 2017

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

\* No technical management fees were paid by Skyway Aviation Handling Company Limited to its parent company during the year.

\* The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free. For the period ended 31 December 2017, the Company has not recorded any impairment of receivables to amounts owed by related parties (2016: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

### 23.5 Key Management Personnel

Key management personnel are those who have authority and responsibility of planning directing and controlling activities in the company either directly or indirectly. These include:

1. Executive Director
2. Non-Executive Director
3. Management team that implements board strategy by board delegated authority.

#### Loans to director

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

#### Payment on behalf of key management personnel

There was no payment on behalf of key management personnel during the year under review.

## HISTORICAL FINANCIAL INFORMATION

### Key management personnel compensation

Key management personnel compensation for the year comprised:

	2018	2017	2016	2015	2014	2013
	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER	NUMBER
Directors	4	4	4	4	4	4
Aggregate no. of persons senior management	11	11	11	11	13	12
	<b>15</b>	<b>15</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>16</b>
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
Salaries and other short term benefits	33,330	144,281	102,741	84,387	47,334	42,456
Pension and other post employment benefits	4,526	19,593	13,952	11,460	6,428	5,513
	<b>37,856</b>	<b>163,874</b>	<b>116,693</b>	<b>95,847</b>	<b>53,762</b>	<b>47,969</b>

### 24. SHARE CAPITAL

#### Authorised Share Capital

500,000,000 Ordinary Shares of ₦1.00 each

#### Issued and Fully Paid

425,000,000 Ordinary Shares of ₦1.00 each

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>	<b>425,000</b>

### 25. RETAINED EARNINGS

As at beginning of the period/year

**(Loss)/profit for the period/year**

As at the end of the period/year

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
	5,077,970	4,860,242	3,963,228	4,032,884	3,397,083	2,307,321
	(25,381)	217,728	897,014	(69,656)	635,801	909,729
	<b>5,052,589</b>	<b>5,077,970</b>	<b>4,860,242</b>	<b>3,963,228</b>	<b>4,032,884</b>	<b>3,217,050</b>

### 26. REVALUATION RESERVE

As at beginning of the period

Other comprehensive Income

As at the end of the period

	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	N'000	N'000	N'000	N'000	N'000	N'000
	-	-	-	-	-	-
	8,815,486	-	-	-	-	-
	<b>8,815,486</b>	-	-	-	-	-



## HISTORICAL FINANCIAL INFORMATION

### 27. DEFERRED INCOME

Rental income	118,625	111,303	71,656	96,320	-	-
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Rental income represent rent received in advance on the Company's investment properties.

Amount received during the year are categorized as follows:

Current portion	68,809	68,809	59,326	21,268	-	-
Non-Current portion	49,816	42,494	12,330	75,052	-	-
	<b>118,625</b>	<b>111,303</b>	<b>71,656</b>	<b>96,320</b>	<b>-</b>	<b>-</b>

Rental income represent rent received in advance on its investment properties

### 28. INCOME TAX

	<b>3 months ended 31 March</b>		<b>Year ended 31 December</b>			
<b>28.1 As Per Profit or Loss:</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
<b>Current Income Tax Charge:</b>						
Income Tax	40,052	132,998	159,262	239,016	-	-
Education Tax	8,011	26,600	31,854	47,803	28,051	11,066
<b>Total Current Tax</b>	<b>48,063</b>	<b>159,598</b>	<b>191,116</b>	<b>286,819</b>	<b>28,051</b>	<b>11,066</b>
<b>Deferred Tax:</b>						
Origination and reversal of temporary differences	-	(251,424)	(420,490)	(75,120)	(229,330)	(202,746)
<b>Total Deferred Tax</b>	<b>-</b>	<b>(251,424)</b>	<b>(420,490)</b>	<b>(75,120)</b>	<b>(229,330)</b>	<b>(202,746)</b>
<b>Income Tax Expense/(Credit)</b>	<b>48,063</b>	<b>(91,826)</b>	<b>(229,375)</b>	<b>211,699</b>	<b>(201,279)</b>	<b>(191,680)</b>
	<b>31 March</b>	<b>31 December</b>				
<b>28.2 As Per Statement of Financial Position:</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
As at beginning of the period/year	454,972	554,822	385,720	98,901	73,150	151,144
Current income tax charge for the year	48,063	159,598	191,116	286,819	28,051	11,066
	503,035	714,420	576,835	385,720	101,201	162,210
Withholding Tax Credit Notes	-	(211,644)	-	-	-	-
Less: Payment during the year	(45,000)	(47,804)	(22,013)	-	(2,300)	(89,060)
<b>As at the end of the period/year</b>	<b>458,035</b>	<b>454,972</b>	<b>554,822</b>	<b>385,720</b>	<b>98,901</b>	<b>73,150</b>

The company has Pioneer status which elapsed on 31 December 2014.

## HISTORICAL FINANCIAL INFORMATION

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable domestic tax rate for the respective years ended is as follows:

	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014	2013
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
<b>Profit before income taxes</b>	<b>22,682</b>	<b>125,902</b>	<b>667,639</b>	<b>142,043</b>	<b>434,522</b>	<b>718,049</b>
<b>Statutory Company Income Tax Rate</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>	<b>30%</b>
Expected income tax expense calculated at 30% (2014: 30%)	6,804	37,771	200,292	42,613	130,357	215,415
<b>Effects of:</b>						
Disallowable expenses	33,309	14,542	24,032	141,631	-	-
Utilization of Pioneer status	-	-	-	-	(359,687)	(202,746)
Income exempt from tax	(61)	(170,739)	(485,551)	(20,348)	-	-
Non-taxable income due to Pioneer credit status	-	-	-	-	-	(215,415)
	40,052	(118,426)	(261,227)	163,896	(229,330)	(202,746)
<b>Education tax expense</b>	<b>8,011</b>	<b>26,600</b>	<b>31,852</b>	<b>47,803</b>	<b>28,051</b>	<b>11,066</b>
	<b>48,063</b>	<b>(91,826)</b>	<b>(229,375)</b>	<b>211,699</b>	<b>(201,279)</b>	<b>(191,680)</b>
<b>Effective Tax Rate</b>	<b>212%</b>	<b>-73%</b>	<b>-34%</b>	<b>149%</b>	<b>-46%</b>	<b>-27%</b>

## 29. DEFERRED TAX

### 29.1 As Per Statement of Financial Position:

#### Deferred Tax Relates to the following:

	31 March	Year ended 31 December				
	2018	2017	2016	2015	2014	2013
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
Property, plant and equipments	(372,403)	(372,403)	(339,351)	(243,693)	(215,325)	(7,421)
Intangible assets	-	-	(442)	(442)	(442)	(442)
Investment property	22,281	22,281	17,705	-	-	-
Provision	(241,059)	(241,059)	(99,267)	-	-	-
Trade and other receivables	(235,868)	(235,868)	(173,434)	(129,036)	(71,806)	(20,001)
Employee benefit liability	(116,551)	(116,551)	(97,387)	101,485	91,007	60,628
Revaluation surplus	979,498	-	-	-	-	-
	<b>35,898</b>	<b>(943,600)</b>	<b>(692,176)</b>	<b>(271,686)</b>	<b>(196,566)</b>	<b>32,764</b>

## HISTORICAL FINANCIAL INFORMATION

29.2 As Per Profit or Loss:	3 months ended 31 March		Year ended 31 December			
	2018	2017	2016	2015	2014	2013
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
<b>Movement in deferred tax charge:</b>						
Property, Plant and Equipments	-	(33,052)	(95,658)	(28,368)	(207,904)	(221,909)
Intangible Assets	-	442	-	-	-	-
Investment property	-	4,576	17,705	-	-	-
Provision	-	(141,792)	(99,267)	-	-	-
Trade and Other Receivables	-	(62,434)	(44,398)	(57,230)	(51,805)	(0)
Employee Benefit Scheme	-	(19,164)	(198,872)	10,478	30,379	19,163
	-	<b>(251,424)</b>	<b>(420,490)</b>	<b>(75,120)</b>	<b>(229,330)</b>	<b>(202,746)</b>

Summarized Reconciliation of Total deferred tax liabilities (Net):	31 March		31 December			
	2018	2017	2016	2015	2014	2013
	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>	<i>N'000</i>
As at beginning of the period/year	(943,600)	(692,176)	(271,686)	(196,566)	32,764	235,510
Relating to origination and reversal of temporary differences	-	(251,424)	(420,490)	(75,120)	(229,330)	(202,746)
Other Comprehensive Income	979,498	-	-	-	-	-
<b>As at the end of the period/year</b>	<b>35,898</b>	<b>(943,600)</b>	<b>(692,176)</b>	<b>(271,686)</b>	<b>(196,566)</b>	<b>32,764</b>

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

### 30. RESTATEMENT OF CONSIGNMENT FEE

Concession fee for 2014 reporting period has been restated in line with the provision of International Accounting Standard 8-Accounting Policies, Changes in Accounting Estimates and Errors, based on an error arising from wrong treatment of waiver granted by FAAN for the financial period ending 31 December 2011 and 2012. The restatement resulted into an accumulated difference of ₦180,032,706 as at 31 December 2014.

The effect of the prior year restatement has resulted in the following changes in the Financial Statement:

	2014	2013
	<i>N'000</i>	<i>N'000</i>
<b>Statement of Financial Position</b>		
Increase in Equity (Retained earnings)	-	180,033
Reduction in concession fee payable		180,033
<b>Statement of Profit or Loss</b>		
Increase in Concession fees	180,033	-
Reduction in Profit After Tax	180,033	-
Reduction in Earnings Per Share (EPS) — kobo	0.42	-

## **HISTORICAL FINANCIAL INFORMATION**

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### **31. CONTINGENT LIABILITIES, GUARANTEES AND FINANCIAL COMMITMENTS FOR 2017**

#### **31.1 Contingent Liabilities**

The company has been defending various litigations since 2010 which has been in the law court. The company has disclaimed liability. No provision in relation to this claim has been recognised in this financial statement as, legal advice indicates that it is not probable that a significant liability will arise from the legal suits. The following are the current legal suits pending in the law court:

1. Suit filed by Skyway Aviation Handling Company Limited against Bellview Airlines Limited
2. Suit filed by Skyway Aviation Handling Company Limited against NICON Insurance and Marsh Limited
3. Suit filed by Skyway Aviation Handling Company Limited against Afrijet Airlines Limited.
4. Suit filed by Skyway Aviation Handling Company Limited against AZMAN Air Services Limited
5. Suit filed by Bellview Airlines Limited against Skyway Aviation Handling Company Limited

#### **31.2 Guarantees**

The Company did not charge any of its assets to secure liabilities of third parties.

#### **31.3 Financial Commitments**

As at reporting date, there are no financial commitments made by the company.

#### **31.4 Operating Lease Commitments**

The Company leases various cargo, warehouse and station offices under non-cancellable operating lease agreements. The lease terms are within 1 year and the majority of lease agreements are renewable at the end of the lease period at the prevailing market rate.

## LETTER FROM AUDITORS ON GOING CONCERN STATUS

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**Monday,  
30 July, 2018**

**THE GROUP MANAGING DIRECTOR/CEO**

Vetiva Capital Management Limited  
Plot 266B, Kofo Abayomi Street  
Victoria Island  
Lagos State

and

**THE MANAGING DIRECTOR**

Cordros Capital Limited  
70, Norman Williams Street  
Ikoyi  
Lagos State

Dear Sirs,

**CONFIRMATION OF GOING CONCERN STATUS OF SKYWAY AVIATION HANDLING  
COMPANY PLC**

Skyway Aviation Handling Company PLC (the "Company") is undertaking an Initial Public Offering via an Offer for Sale of 406,074,000 ordinary shares of 50 Kobo each at ₦4.65 per share.

Based on our review of the financial statements of the Company for the year ended 31 December 2017, in our role as Auditors to the Company, we confirm that nothing has come to our attention that causes us to believe that the Company will not continue as a going concern in the foreseeable future.

Yours faithfully,

**For: Gbenga Badejo & Co.**

A handwritten signature in black ink, appearing to read 'Yomi Adesuyi', is written over a faint circular stamp.

**Yomi Adesuyi  
Engagement Partner**

## STATUTORY AND GENERAL INFORMATION

### INCORPORATION AND SHARE CAPITAL HISTORY

SAHCO was incorporated on 22nd April 2009 as a limited liability company under the name Skyway Aviation Handling Company Limited. As at the date of this Prospectus, the authorised share capital of SAHCO stood at ₦750,000,000.00 comprising 1,500,000,000 ordinary shares of 50 kobo each, of which ₦676,790,000.00 comprising 1,353,580,000 ordinary shares of 50 kobo each are issued and fully paid up. The changes to SAHCO's authorized and issued share capital since incorporation are summarized below:

Year	Authorised (₦)	Issued & Fully Paid-up (₦)	Consideration		
Date	Increase	Cumulative	Increase	Cumulative	Cash/Bonus
2009	10,000,000	10,000,000	8,500,000	8,500,000	Cash
2012	490,000,000	500,000,000	416,500,000	425,000,000	Cash
2018	-	500,000,000	-	425,000,000	Share Redenomination
2018	250,000,000	750,000,000	251,790,000	676,790,000	Deposit for Shares

### SHAREHOLDING STRUCTURE

As at the date of this Prospectus, the 1,353,580,000 ordinary shares of 50 kobo each in the issued and fully paid up ordinary share capital of SAHCO are beneficially held as follows:

Shareholder	Ordinary Shares Held	%
Sifax Shipping Company Limited	550,000,000	40.6%
Barrister (Dr.) Afolabi Taiwo	503,580,000	37.2%
Mrs. Folashade Afolabi	300,000,000	22.2%
<b>Total</b>	<b>1,353,580,000</b>	<b>100%</b>

### DIRECTORS' BENEFICIAL INTERESTS

The interests of the Directors of SAHCO in the issued share capital of the Company as recorded in the Register of Members as at the date of this Prospectus and as notified by them for the purpose of Section 275 (1) of the CAMA are as follows:

Shareholder	Direct Holding	Indirect Holding	Total	%
Barrister (Dr.) Taiwo Afolabi, MON	503,580,000	330,000,000	833,580,000	61.6%
Barrister Chike Ogeah	-	-	-	-
Dr. Oluropo Owolabi	-	-	-	-
Mr. Ariyo Olutoye	-	-	-	-
Barrister Oladipo Kayode Filani	-	-	-	-
Captain Shehu Usman Iyal	-	-	-	-
Mr. Anogwi Anyanwu	-	-	-	-
Mr. Agboarumi Basil	-	-	-	-
Mr. Babatunde Afolabi	-	-	-	-
Mrs. Boma Ukwunna	-	-	-	-
Mr. Olaniyi Adigun	-	-	-	-

### INDEBTEDNESS

The Company has no outstanding debenture, mortgages, charges or similar indebtedness or material contingent liabilities other than in the ordinary course of business.

### SUBSIDIARIES AND ASSOCIATED COMPANIES

As at the date of this Prospectus, SAHCO has no subsidiary or associate companies.

## **STATUTORY AND GENERAL INFORMATION**

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### **EXTRACTS FROM THE MEMORANDUM AND ARTICLES OF ASSOCIATION**

The relevant extracts of SAHCO's Memorandum and Articles of Association are as set out below:

#### **MEMORANDUM OF ASSOCIATION**

1. The name of the Company is SKYWAY AVIATION HANDLING PUBLIC LIMITED LIABILITY COMPANY.
2. The objects for which the Company is established are:
  - a. To carry on business of aviation support services, importers, exporters, general goods, commission agents, manufacturers, manufacturers' representatives and general contractors.
  - b. To carry on business of repair and maintenance of aviation equipments.
  - c. To carry on all or any of the business of aviation handling services, transport, cartage and haulage contractors, garage proprietor owners and charterers of road vehicles, tugs and ships, barges and boats of every description, lightermen, carriers of goods and passengers by road, rail, water or air, Carmen, cartage contractors and agents.
  - d. To carry on business of handling and delivery as regards cargoes, including aircraft air related machineries and to carry on business of delivery as regards cargoes, including stevedoring, loading and unloading of air crafts.
  - e. To borrow or raise money in such manner as the company shall deem fit, and in particular by the issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised or owing, by mortgage charge, or lien upon the whole or any part of the company's property or assets (whether present or future) including its uncalled capital, and also by similar mortgage, charge lien to secure and guarantee the performance by the company of any obligations or liability it may undertake.
  - f. To do all such other things as may be considered to be incidental or conducive to the attainment of the above objects or any of them.
3. The Company is a Public Company.
4. The liability of the members is limited by shares.
5. The share capital of the Company is ₦750,000,000.00 divided into 1,500,000,000 ordinary shares of 0.50kobo each.

#### **ARTICLES OF ASSOCIATION**

##### **INTERPRETATION**

1. (a) "The Act" means the Companies and Allied Matters Act.  
(b) Unless the context otherwise requires, words or expressions contained in these Regulations bear the same meaning as in the Act.

##### **CLASSES OF SHARES**

2. The company may from time to time issue classes of shares. It shall be the responsibility of the directors to determine the classes of shares to be issued. All the rights or restrictions attached to each particular class of shares shall be specified in the terms of issue, but such rights may at any time be varied in accordance with the provisions of section 141 of the Act.

##### **COMMISSIONS AND BROKERAGE**

3. The company may exercise the powers of paying commissions conferred by section 131 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the said section. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.
4. The company may also on any issue of shares pay such brokerage as may be lawful.

##### **ALTERATION OF CAPITAL**

5. The company may from time to time by ordinary resolution effect an alteration of its share capital in any of the ways set out in section 100 of the Act.

## **STATUTORY AND GENERAL INFORMATION**

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6. Subject to the provisions of the Act on reduction of capital, the company may, whenever it considers it expedient to do so, by special resolution reduce its share capital, any capital redemption fund or any share premium account.

### **MEETINGS**

7. The annual general meeting shall be held at such time and place as the directors shall appoint.
8. The chairman, if any, of the board of directors shall preside as chairman at every general meeting of the company, or if there is no such chairman, or if he is not present within thirty minutes after the time appointed for the holding of the meeting or is unwilling to act, the directors present shall elect one of their number to be chairman of the meeting.
9. If at any meeting no director is willing to act as chairman or if no director is present within thirty minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be chairman of the meeting.

### **VOTING**

10. No member shall be entitled to vote at any general meeting unless all calls or other sums payable by him in respect of shares in the company have been paid.

### **THE SEAL**

11. The directors shall provide for the safe custody of the seal, which shall only be used by the authority of the directors or of a committee of the directors authorised by the directors in that behalf and every instrument to which the seal is affixed shall be signed by a director and countersigned by the secretary or by a second director or by some other person appointed by the directors for the purpose.

### **NOTICES**

12. A notice may be given by the company to any member either personally or by sending it by post to him or to his registered address, or (if he has no registered address within Nigeria) to the address, if any, within Nigeria supplied by him to the company for the giving of notice to him. When a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, prepaying, and posting a letter containing the notice, and to have been effected at the expiration of seven days after the letter containing the same is posted.

### **INDEMNITY**

44. Every Director, Managing Director, Agent, Auditor, Secretary and other Officers for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act, in which relief is granted him by the Court.

### **CLAIMS AND LITIGATION**

As at 14 August, 2018, the Company is, in its ordinary course of business, involved in seven (7) cases of which three (3) were instituted by SAHCO and four (4) were instituted against SAHCO.

The aggregate amount claimed in the cases instituted by SAHCO is estimated at ₦259,707,590.58 (Two Hundred and Fifty Nine Million, Seven Hundred and Seven Thousand, Five Hundred and Ninety Naira and Fifty Eight Kobo) and US\$563,833.64 (Five Hundred and Sixty Three Thousand, Eight Hundred and Thirty Three United States Dollars and Sixty Four Cents).

The aggregate amount claimed against SAHCO is estimated at ₦3,902,649,870.10 (Three Billion, Nine Hundred and Two Million, Six Hundred and Forty Nine Thousand, Eight Hundred and Seventy Naira and Ten Kobo) and US\$1,024,218.38 (One Million, Twenty Four Thousand, Two Hundred and Eighteen United States Dollars and Thirty Eight Cents).

The Solicitors to the offer are of the opinion that none of the aforementioned cases will have any material adverse effect on the IPO; and they are not aware of any other pending and/or threatened claim or litigation, which may be material to the IPO.



## **STATUTORY AND GENERAL INFORMATION**

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### **ESTIMATED COSTS AND EXPENSES OF THE OFFER**

The costs and expenses of making the Offer, including fees payable to the SEC, NSE, professional parties, filing fees, stamp duties and legal fees and other expenses, brokerage commission and the costs of printing and of advertising the Offer are estimated at ₦53,506,424.73 (Fifty Three Million, Five Hundred and Six Thousand, Four Hundred and Twenty Four Naira and Seventy Three Kobo), which represents approximately 2.83% of the total amount to be raised pursuant to the Offer.

### **DECLARATIONS AND STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Except as otherwise disclosed herein:

- No share of the Company is under option or agreed conditionally or unconditionally to be put under option;
- No commissions, discounts, brokerages or other special terms have been granted to any person in connection with the Offer or sale of any share of the Company;
- Save as disclosed herein, the Directors of the Company have not been informed of any shareholding representing 5% or more of the issued share capital of the Company;
- There are no founders, management or deferred shares or any options outstanding;
- There are no material service agreements between the Company and any of its Directors and employees other than in the ordinary course of business;
- There are no long-term service agreements between the Company and any of its Directors and employees;
- No Director of the Company has had any interest direct or indirect in any property purchased or to be purchased by the Company.
- No shareholder, director or key management personnel has been involved in any of the following (in or outside Nigeria):
  - A petition under any bankruptcy or insolvency laws filed (and not struck out) against such person or any partnership in which he was a partner or any company of which he was a director or key personnel;
  - A conviction in a criminal proceeding or is named subject of pending criminal proceedings relating to fraud or dishonesty;
  - The subject of any order, judgement or ruling of any court of competent jurisdiction or regulatory body relating to fraud or dishonesty, restraining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

### ***Directors' responsibility statement***

The directors, whose names are given on page 11 of this document collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this document contains all information required by law and the NSE Listings Requirements.

### **RELATED PARTY TRANSACTIONS**

As at 31 March, 2018, the Company had no related party transactions; all transactions were executed on an arm's length basis and in the ordinary course of business.

### **OFF BALANCE SHEET ITEMS**

As at 31 March, 2018, the Company had no off-balance sheet items other than in the ordinary course of business.

### **MATERIAL CONTRACTS**

The following agreement have been entered into by SAHCO and are considered material to the Offer:

- a) A Vending Agreement dated Monday, 05 November, 2018 among Skyway Aviation Handling Company PLC, Vetiva Capital Management Limited and Cordros Capital Limited in which Vetiva and Cordros Capital agreed to offer a total of 406,074,000 Ordinary shares of 50 kobo each at ₦4.65 per share on behalf of the Company via an Initial Public Offer by way of an offer for sale.

## STATUTORY AND GENERAL INFORMATION

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### MERGERS & ACQUISITION

In 2018, SAHCO undertook a business combination with Skypower via a Scheme of External Restructuring wherein the entire assets, liabilities and business undertakings of SAHCO and Skypower were consolidated with SAHCO becoming the surviving entity while Skypower was dissolved without being wound up. The Scheme of External Restructuring became effective on 02 October, 2018. No consideration was issued under the combination given the common ultimate shareholding of both companies.

Save as disclosed, as at the date of the Prospectus, the Company has not received any merger or take-over offer by a third party in respect of its securities nor has the Company made any merger or take-over offer to any other company in respect of another company's securities within the current or preceding financial years.

### RELATIONSHIP BETWEEN THE COMPANY, ISSUING HOUSES AND OTHER ADVISERS

As at the date of this Prospectus and in compliance with SEC Rule 184(1) as amended, the Company, the Issuing Houses and other advisers do not have any common shareholder and none of them is a subsidiary or holding company of any other. They do not have common Directors. There is no relationship between the Company and any of its Advisers except in the ordinary course of business.

### CONSENTS

The following have given and not withdrawn their written consents to the issue of this Prospectus with their names and reports (where applicable) included in the form and context in which they appear:

ROLE	NAME
<b>Directors of the Company</b>	Barrister (Dr.) Taiwo Afolabi, MON ( <i>Chairman</i> )
	Barrister Chike Ogeah ( <i>Vice Chairman</i> )
	Dr. Oluropo Owolabi ( <i>Non-executive Director</i> )
	Mr. Ariyo Olutoye ( <i>Non-executive Director</i> )
	Barrister Oladipo Kayode Filani ( <i>Non-executive Director</i> )
	Captain Shehu Usman Iyal ( <i>Non-executive Director</i> )
	Mr. Anogwi Anyanwu ( <i>Independent Director</i> )
	Mr. Agboarumi Basil ( <i>Managing Director/CEO</i> )
	Mr. Babatunde Afolabi ( <i>Executive Director</i> )
	Mrs. Boma Ukwunna ( <i>Executive Director</i> )
Mr. Olaniyi Adigun ( <i>Executive Director</i> )	
<b>Company Secretary</b>	Mrs. Omolara Bello
<b>Lead Issuing House</b>	Vetiva Capital Management Limited
<b>Joint Issuing House</b>	Cordros Capital Limited
<b>Joint Stockbrokers</b>	Sigma Securities Limited
	Apel Asset Limited
	APT Securities and Funds Limited
	City-Code Trust & Investment Company Limited
	Dynamic Portfolio Limited
	Fortress Capital Limited
	Planet Capital Limited
	Pilot Securities Limited
Vetiva Securities Limited	
<b>Solicitors to the Offer</b>	Aluko and Oyebode
<b>Solicitors to the Company</b>	Koya & Kuti Solicitors
<b>Reporting Accountants</b>	Ernst & Young
<b>Auditors</b>	Gbenga Badejo & Co

## STATUTORY AND GENERAL INFORMATION

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<b>Registrars</b>	First Registrars & Investor Services Limited
<b>Receiving Banks</b>	Guaranty Trust Bank PLC First Bank of Nigeria Limited

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### DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Vetiva Capital Management Limited (Plot 266b, Kofo Abayomi street, Victoria Island, Lagos) and Cordros Capital Limited (70, Norman Williams Street, Ikoyi, Lagos), during normal business hours on any week day (except public holidays) from Monday, 12 November, 2018 to Wednesday, 19 December, 2018:

- Certificate of Incorporation of the Company;
- Memorandum and Articles of Association of the Company;
- The Company's most recent Form CAC 7A (Particulars of Directors and any changes therein);
- The Company's most recent Form CAC 2A (Statement of Share Capital and Returns of Allotment of Shares);
- Prospectus issued in respect of the Offer;
- Shareholders' Resolution authorising the Offer, which was passed at the meeting of 24 September, 2018;
- Resolution of the Board of Directors recommending the Offer, which was passed at the meeting of 21 September, 2018;
- Audited financial statements of the Company for each of the five years ending 31 December 2017 and Audited consolidated interim financial statements for the period ended 31 March 2018;
- The independent reporting accountants' report on the audited historical financial information of SAHCO for the five financial years ended 31st December 2013, 2014, 2015, 2016 and 2017 and the three months period ended March 31st, 2018;
- List of Claims and Litigations referred to on page 80;
- Material Contracts referred to on page 81;
- The written consents referred to on page 82; and
- A letter dated 30 October, 2018 from the SEC approving the Offer.

## PROCEDURE FOR APPLICATION AND ALLOTMENTS

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### APPLICATION

If you are in doubt as to the action to take, please consult your financial adviser, stockbroker, solicitor, accountant, tax consultant, bank manager or any other professional adviser for guidance. Care must be taken to follow these instructions as applications that do not comply with the instructions will not be accepted.

- The general investing public is hereby invited to apply for the Ordinary Shares through any of the Receiving Agents listed on page 85 of this Prospectus.
- Applications for the Ordinary Shares being offered must be made in accordance with the instructions set out at the back of the Application Form attached hereto. Care must be taken to follow these instructions, as applications, which do not comply, will be rejected. Specifically, it is mandatory that applicants state their Bank Account Number and Bank Verification Numbers (BVN) otherwise their applications would be rejected.
- The Application List for the Ordinary Shares being offered will open on Monday, 12 November, 2018 and close on Wednesday, 19 December, 2018. Applications must be for a minimum of 500 Ordinary Shares and in multiples of 100 Ordinary Shares thereafter. The number of Ordinary Shares for which an application is made and the value of the cheque or bank draft attached should be entered in the boxes provided on the Application Form.
- The subscription currency for the Offer is the Nigerian Naira (₦).
- The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
- Individual applicants should sign the declaration and write his/her full names, address, daytime telephone number and mobile telephone number in the appropriate space on the Application Form. Where the application is being made on behalf of a minor, the full names of the applicant and the minor as well as the date of birth of the minor should be provided. The appropriate space on the Application Form should be used by joint applicants. A corporate applicant should affix its seal in the box provided and state its Incorporation Registration (RC) Number.
- Applications should be forwarded ONLY to any of the Receiving Agents listed on page 85 of this Prospectus, together with evidence of Real Time Gross Settlement ("RTGS") or National Electronic Funds Transfer ("NEFT") for the full amount of the purchase price. All bank commissions and transfer charges must be prepaid by the applicant. All unfunded applications will be rejected.

### PAYMENT INSTRUCTIONS

Applicants should ensure that payment of full purchase price is received upon submission of the Application Form. Payments can be made via RTGS or NEFT into the designated proceeds account domiciled with the Receiving Bank:

Bank Name:	<b>First Bank of Nigeria Limited</b>	<b>Guaranty Trust Bank PLC</b>
Account Name:	SAHCO Offer Proceeds Account	SAHCO Offer Proceeds Account
Account Number:	2033585095	0111878887
Sort Code:	011152303	058-152052

### ALLOTMENT

- The Issuing House and the Directors of the Company reserve the right to accept or reject any application in whole or in part for not meeting the conditions of the Offer. The Allotment Proposal will be subject to the clearance of the SEC.
- Allotment of Ordinary Shares will be done on the basis of equality of Federal constituencies.
- All irregular or suspected multiple applications will be rejected.

### APPLICATION MONIES

- All application monies will be retained in a separate interest yielding bank account with the Receiving Banks pending Allotment. If any application is not accepted, or is accepted for fewer Ordinary Shares than the number applied for, the application monies in full or the surplus amounts (as the case may be) will be transferred (including accrued interest) to the account number of the affected applicant as stated on the application, within five (5) working days of Allotment. Where monies are not sent within the stipulated 5 working days, accrued interest shall be paid to the unsuccessful applicants at a rate not below CBN MPR plus 5%.
- The CSCS accounts of successful applicants would be credited no later than 15 Business Days from the date of Allotment.

## RECEIVING AGENTS

Application Forms may be obtained free of charge from banks, stockbrokers, post offices, local government authorities and other designated distribution outlets. Completed Application Forms must be submitted to any of the under listed Receiving Agents duly registered as capital market operators by the SEC and to whom brokerage will be paid at the rate of 0.50% of the value of the shares allotted in respect of the Application Forms bearing their official stamps.

**The Company Issuing Houses cannot accept responsibility for the conduct of any of the institutions listed below. Investors are therefore advised to conduct their own enquiries before choosing an agent to act on their behalf. Evidence of lodgment of funds at any of the Receiving Agents listed below, in the absence of corresponding evidence of receipt by the Issuing House, cannot give rise to a liability on the part of the Issuing House under any circumstances.**

### BANKS

Access Bank PLC Coronation Merchant Bank Citibank Nigeria Limited Diamond Bank PLC Ecobank Nigeria PLC FBNQuest Merchant Bank Limited FSDH Merchant Bank	Fidelity Bank PLC First Bank of Nigeria Limited First City Monument Bank Ltd Guaranty Trust Bank PLC Heritage Bank PLC Jaiz Bank PLC Keystone Bank Limited	Nova Merchant Bank Providus Bank PLC Polaris Bank Limited Rand Merchant Bank Stanbic IBTC Bank PLC Standard Chartered Bank Nig. Ltd Sterling Bank PLC	Suntrust Bank PLC Union Bank of Nigeria PLC United Bank for Africa PLC Unity Bank PLC Wema Bank PLC Zenith Bank PLC
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### STOCKBROKER AND OTHERS

Afrinvest (West Africa) Ltd Afrinvest Securities Ltd Alangrange Securities Ltd Anchoria Investment & Securities Ltd Apel Asset Ltd APT Securities & Funds Ltd Arian Capital Management Ltd ARM Securities Ltd Arthur Stevens Asset Mgt Ltd Associated Asset Managers Ltd Atlass Portfolio Ltd Bauchi Investment Corporation Securities Ltd Belfry Investment & Securities Ltd Bestworth Assets & Trust Ltd Boston Advisory Ltd Calyx Securities Ltd Camry Securities Ltd Capital Assets Ltd Capital Bancorp PLC Capital Express Securities Ltd Capital Trust Brokers Ltd Cardinal Stone Securities Ltd Cashcraft Asset Mgt. Ltd Cashcraft Securities Ltd Cashville Inv. & Sec. Ltd CDL Capital Markets Ltd Centre Point Investment Ltd Century Securities Ltd Chapel Hill Denham Securities Ltd Chartwell Securities Ltd Citi Investment Capital Ltd City-Code Trust & Invest Ltd CLG Stockbrokers Ltd Compass Investments & Sec. Ltd Cordros Securities Ltd Core Trust & Investment Ltd Core Securities Ltd Coronation Securities Ltd Covenant Securities & Asset Mgt Ltd Cowry Asset Mgt Ltd Cowry Securities Ltd Crane Securities Ltd Crossworld Securities Ltd Crown Capital Ltd CSL Stockbrokers Ltd Deep Trust & Investment Ltd De-Lords Securities Ltd Dependable Securities Ltd Dominion Trust Ltd Diamond Securities Ltd Dolbic Finance Ltd Dominion Trust Ltd DSU Brokerage Services Ltd Dunbell Securities Ltd DunnLoren Merrifield Securities Ltd Dynamic Portfolios Ltd EDC Securities Ltd Edgefield Capital Management Ltd EFCP Ltd El-Elyon Alliance & Securities Ltd	Elixir Asset Management Ltd Elixir Securities Ltd Enterprise Stockbrokers Ltd Equity Capital Solutions Ltd Eurocomm Securities Ltd Express Discount Asset Mgt Ltd Express Portfolio Services Ltd Falcon Securities Ltd FBC Trust & Securities Ltd FBNQuest Securities Ltd FCSL Asset Management Co. Ltd Fidelity Finance Company Ltd Financial & Analytics Capital Ltd Financial Trust Company Nig. Ltd Finmal Financial Services Ltd Finmal Securities Ltd First Inland Capital Ltd First Integrated Capital Mgt. Ltd First Stockbrokers Ltd FIS Securities Ltd Foresight Sec. & Investment Ltd Forte Financial Ltd Forthright Sec. & Investments Ltd Fortress Capital Ltd FSDH Securities Ltd FSL Securities Ltd Fund Matrix & Asset Mgt Ltd Fundvine Capital & Securities Ltd FutureView Financial Services Ltd Future View Securities Ltd Gidauniya Invest & Sec. Ltd Global Assets Mgt (Nig.) Ltd Globalview Capital Ltd Golden Securities Ltd Greenwich Securities Ltd Growth & Development Asset Management Ltd Gruene Capital Limited GTI Capital Ltd GTI Securities Ltd Harmony Securities Ltd Heartbeat Investments Ltd Hedge Securities & Inv. Ltd Helix Securities Ltd Heritage Capital Markets Ltd ICMG Securities Ltd ICON Stockbroker Ltd Imperial Assets Managers Ltd Integrated Trust & Investments Ltd Interstate Securities Ltd Investment Centre Ltd Investment One Fin. Services Ltd Investment One Stockbrokers Int'l Ltd Investors & Trust Company Ltd Kapital Care Trust & Sec. Ltd Kedari Securities Ltd Kinley Securities Ltd Kofana Securities & Inv. Ltd Kundila Finance Services Ltd	Lambeth Trust & Investment Company Ltd Lead Securities & Invests Ltd Lighthouse Asset Mgt Ltd Long Term Global Capital Ltd Magnartis Finance & Investment Ltd Mainstreet Bank Securities Ltd Marimpex Finance & Invest Co. Ltd Marriot Securities & Investment Co. Ltd Mayfield Investment Ltd MBC Securities Ltd MBL Financial Services Ltd Mega Equities Ltd Meristem Securities Ltd Midas Stockbrokers Ltd Milestone Capital Management Ltd Mission Securities Ltd Molten Trust Ltd Morgan Capital Sec Ltd Mountain Investment & Sec. Ltd Network Capital Ltd Network Securities & Finance Ltd Newdevco Invests & Sec Co. Ltd Nigerian International Sec. Ltd Nigerian Stockbrokers Ltd Nova Finance & Securities Ltd PAC Securities Ltd Peace Capital Markets Ltd Phronesis Securities Ltd Pilot Securities Ltd Pinefields Investment Services Ltd PIPC Securities Ltd Pivot Capital Limited Planet Capital Ltd Portfolio Advisers Ltd Premium Capital & Stockbrokers Ltd Primera Africa Securities Ltd Primewalth Capital Ltd Prominent Securities Ltd PSI Securities Ltd Pyramid Securities Ltd Quantum Securities Ltd, Rainbow Securities Ltd Readings Investment Ltd Regency Assets Mgt Ltd Rencap Securities (Nig.) Ltd Resort Securities Ltd Reward Investment & Service Ltd RMB Nigeria Stockbrokers Ltd Rostrum Investment & Sec. Ltd Rowet Capital Mgt Ltd Royal Crest Finance Ltd Royal Guaranty & Trust Ltd Royal Trust Securities Ltd Sankore Securities Ltd Santrust Securities Ltd Securities & Capital Management Company Ltd Securities Africa Financial Ltd Security Swaps Ltd	Shalom Investment & Securities Ltd Shelong Investment Ltd Sigma Securities Ltd Signet Investment & Sec. Ltd Skyview Capital Ltd SMADAC Securities Ltd Solid Rock Sec. & Inv. PLC Spring Board Trust & Inv. Ltd Spring Trust & Securities Ltd Stanbic IBTC Asset Mgt Ltd Stanbic IBTC Stockbrokers Ltd Standard Union Securities Ltd TFS Securities & Investment Co. Ltd The Bridge Securities Ltd Tiddo Securities Ltd Tomil Trust Ltd Topmost Sec Ltd Tower Sec. & Invest Co. Ltd Trade Link Securities Ltd Traders Trust & Investment Co. Ltd Transworld Investment & Securities Ltd Trust Yields Securities Ltd Trustbanc Capital Management Ltd Trust House Investment Ltd TRW Stockbrokers Ltd Tyndale Securities Ltd UIDC Securities Ltd UNEX Capital Ltd Union Capital Markets Ltd United Capital Securities Ltd Valmon Securities Ltd Valueline Securities & Investments Ltd Vetiva Capital Management Ltd Vetiva Securities Ltd WCM Capital Ltd WSTC Securities Ltd Zenith Securities Ltd Zion Stockbrokers & Securities Ltd
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# APPLICATION FORM

Application Opens  
12 November, 2018

Application Closes  
19, December, 2018



**Skyway Aviation Handling Company Plc** RC: 813022  
Initial Public Offering by Way of an Offer for Sale

**406,074,000**

Ordinary Shares of 50 Kobo each

at N4.65 per share

Payable in full on Application

**LEAD ISSUING HOUSE**



**JOINT ISSUING HOUSE**



Applications must be made in accordance with the instructions set out on the back of this application form. Care must be taken to follow these instructions as applications that do not comply may be rejected. If you are in any doubt, please consult your Stockbroker, Accountant, Banker, Solicitor or any other professional adviser for guidance.

**DECLARATION**

- I/We am/are 18 years of age or over
- I/We note that allotment will only be electronically to the CSCS accounts of Allottees and no physical share certificate would be issued.
- I/We note that Skyway Aviation Handling Company PLC and the Issuing House are entitled in their absolute discretion to accept or reject this application.
- I/We attach the amount payable in full on application for the number of Ordinary Shares in the Skyway Aviation Handling Company Plc. at N4.65 per share.
- I/We agree to accept the same or any smaller number of units in respect of which allotment may be made upon the terms of the Prospectus and subject to the provision of the Memorandum and Articles of Association of Skyway Aviation Handling Company Plc.
- I/We declare that I/we have read a copy of the Prospectus for the Offer dated 05/11/2018 issued by Vetiva Capital Management Limited and Cordros Capital Limited on behalf of Skyway Aviation Handling Company Plc.

**GUIDE TO APPLICATION**

Number of shares applied for	Amount Payable
500 minimum	N2,325.00
Subsequent multiples of 100	N465.00

Date (DD/MM/YYYY)

/ / 2 0 1 8

**CONTROL NO: (Registrar's use only)**

Number of Shares Applied for:

Value of shares applied for / Amount Paid

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*PLEASE COMPLETE IN BLOCK LETTERS*

Federal Constituency of Applicant(s) \_\_\_\_\_ Constituency Code \_\_\_\_\_ (Please see attached Constituency Schedule)

State of Origin \_\_\_\_\_ Local Government Area \_\_\_\_\_

**1. Individual Applicant**

Surname \_\_\_\_\_ Title :  Mr.  Mrs.  Miss \_\_\_\_\_

Other Names (for individual applicant only)

Full Postal Address/Street Address

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City/Town

State

Mobile (GSM) Phone Number

Email Address

Next of Kin

CHN NO (CLEARING HOUSE NUMBER)

NAME OF YOUR STOCKBROKER

--	--

CSCS NUMBER

**2. Joint Applicant**

Surname \_\_\_\_\_ Title :  Mr.  Mrs.  Miss \_\_\_\_\_

Other Names

**3. Corporate Applicant**

Company's Name

Registered Address

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**4. Bank details (for E-Dividend):**

Name of Bank \_\_\_\_\_ Account No: \_\_\_\_\_

Branch

**BVN**

--	--

Witness Name (Where applicable)

Witness Address

Witness Signature

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Signature or Thumbprint

Signature or Thumbprint

Stamp of Receiving Agent

Company Seal & Incorporation Number (Corporate Applicant)

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## **INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM**

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1. Applications should be made only on the Application Form or Photostat or scanned copies of the Application Form.
2. Applications must not be for less than the minimum number of shares stated on the Application Form. Applications for more than the minimum number of shares must be in the multiples stated on the Application Form. The number of ordinary shares for which an application is made and the amount of the cheque or bank draft attached should be entered in the boxes provided.
3. The Application Form when completed should be lodged with any of the Receiving Agents listed on Page 85. Applications must be accompanied by a cheque or bank draft made payable to the Receiving Agent to whom the application is submitted, for the full amount payable on application. The cheque or draft must be drawn on a bank in the same town or city in which the Receiving Agent is located and crossed "SAHCO IPO" with the name, address and daytime telephone number of the applicant written on the back. All bank commissions and the applicant must prepay transfer charges. All cheques and drafts will be presented upon receipt and all applications in respect of which cheques are returned unpaid will be rejected.
4. Applicants should clearly indicate their constituency and constituency code on their Application Forms.
5. The applicant should make only one application, whether in his own name or in the name of a nominee. Multiple or suspected multiple applications will be rejected.
6. Joint applicants must all sign the Application Form.
7. An application from a group of individuals should be made in the names of those individuals with no mention of the name of the group. An application by a firm which is not registered under the Companies and Allied Matters Act Cap. C20, Laws of the Federation of Nigeria, 2004, should be made either in the name of the proprietor or in the names of the individual partners. In neither case should the name of the firm be mentioned.
8. An application from a corporate body must bear the corporate body's seal and be completed under the hand of a duly authorised official.
9. An application from a pension or provident fund must be in the name of each individual trustee unless the trustee is a limited liability company.
10. An application by an illiterate should bear his right thumbprint on the Application Form and be witnessed by an official of the Bank or stockbroker at which the application is lodged who must first have explained the meaning and effect of the Application Form to the illiterate in his own language. Above the thumb print of the illiterate, the witness must record in writing that he has given this explanation to the illiterate in a language understandable to him and that the illiterate appeared to have understood same before affixing his thumb impression. The witness must also state his name, address and signature.
11. The applicant should not print his signature. If he is unable to sign in the normal manner he should be treated for the purpose of this Offer as an illiterate and his right thumbprint should be clearly impressed on the Application Form.

## LIST OF FEDERAL CONSTITUENCIES & CODES

CODE	FEDERAL CONSTITUENCIES	CODE	FEDERAL CONSTITUENCIES
<b>ABIA</b>		<b>CROSS RIVER</b>	
101	ABA NORTH / ABA SOUTH	901	CALABAR SOUTH / AKPABUYO
102	AROCHUKWU / OHAFIA	902	CALABAR MUNICIPAL / ODUKPANI
103	BENDE	903	AKANKPA BAISE
104	ISIALA NGWA NORTH / ISIALA NGWA SOUTH	904	YAKURR ABI
105	ISUKWUATO / UMUNNEOCHI	905	OBUBRA ETUNG
106	UMUAHIA NORTH / UMAHIA SOUTH / IKWUANO	906	IKOM BOKI
107	OBINGWA / OSISIOMA / UGWUNAGBO	907	OGOJA YALA
108	UKWA EAST / UKWA WEST	908	OBUDU / BEKWARA / OBANLIKU
<b>ADAMAWA STATE</b>		<b>DELTA STATE</b>	
201	DEMSA / NUMAN / LAMURDE	1001	BURUTU
202	FUFORE / SONG	1002	IKA NORTH EAST / IKA SOUTH
203	GUYUK / SHELENG	1003	OKPE / UVWIE / SAPELE
204	MAYO BELWA / GANYI / JADA	1004	ISOKO NORTH / ISOKO SOUTH
205	GOMBI / HONG	1005	BOMADI / PATANI
206	MADAGALI / MICHKA	1006	ANIOCHA / OSHIMILI
207	MAIHA / MUBI	1007	ETHIOPE EAST / ETHIOPE WEST
208	YOLA / GERE	1008	NDOKWA/UKWUANI
<b>AKWA IBOM STATE</b>		1009	UGHELLI NORTH / UGHELLI SOUT H / UDO
301	ABAK / ETIM EKPO	1010	WARRI NORTH / WARRI SOUTH / WARRI SOUTH WEST
302	EKET / ONWA / ESIE / EKET / IBENO	<b>EBONYI STATE</b>	
303	ETINAN / NSIT IBOM / NSIT UBIUM	1101	ABAKALIKI / IZZI
304	IKONO / INI	1102	AFIKPO NORTH / AFIKPO SOUTH
305	IKOT ABASI / MKPATENIN / EASTERN / OBOLO	1103	EZZA NORTH / ISHIELU
306	IKOT EKPENE / ESSIEN UDIM OBOT AKARA	1104	EZZA SOUTH / IKWO
307	ITU / IBIONO IBOM	1105	IYO / OHAOZARA / ONICHA
308	ORON / MBO / OKOBO /UDUNG UKO /URUE OFFONG ORUKU	1106	EBONYI / OHAUKNWU
309	UKANAFUN / ORUKANAM	<b>EDO STATE</b>	
310	UYO / URUAN / NSIT ATAI / IBESIKPO ASUTAN	1201	AKOKO EDO
<b>ANAMBRA STATE</b>		1202	ESAN CENTRAL / ESAN WEST / IGUEB EN
401	ANAMBRA EAST / ANAMBRA WEST	1203	ESAN NORTH-EAST / ESAN SOUTH EAST
402	ONITSHA NORTH / ONITSHA SOUTH	1204	ETSAKO EAST / ETSAKO WEST /ESAKO CENTRAL
403	OGBARU	1205	EGOR / IKPOBA-OKHA
404	AGUATA	1206	OREDO
405	OYI / AYAMELUM	1207	ORHIONMWON / UHUNWONDE
406	AWKA NORTH / AWKA SOUTH	1208	OZIA NORTH-EAST / OZIA SOUTH WEST
407	ANAOCHA / NIJKOKA / DUNUKOFIA	1209	OWAN EAST / OWAN WEST
408	IDEMILI NORTH / IDEMILI SOUTH	<b>EKITI STATE</b>	
409	IHALA	1301	ADO EKITI / IREPODUN / IFELODUN
410	NNEWI NORTH / NNEWI SOUTH / EKWUSIGO	1302	EKITI SOUTH WEST / IKERE / ORUN / ISE
411	ORUMBA NORTH / ORUMBA SOUTH	1303	EMURE / GBONYIN / EKITI EAST
<b>BAUCHI STATE</b>		1304	IDO / OSI MOBA / ILEJEME
0501	ALKALERI / KIRFI	1305	IJERO / EKITI WEST / EFON
502	BAUCHI	1306	IKOLE / OYE
503	BOGORO / DASSI / TAFAWA-BALEWA	<b>ENUGU STATE</b>	
504	TORO	1401	ANANRI / AW GU / OJI RIVER
505	NINGI / WARJI	1402	ENUGU EAST / ISI UZO
506	DARAZO / GANJUWA	1403	ENUGU NORTH / ENUGU SOUTH
507	MISAU / DAMBAM	1404	EZEAGU / UDI
508	ZAKI	1405	IGBO-ETITI / UZOUW ANI
509	GAMAWA	1406	IGBO-EZE NORTH / UDENU
510	JAMA ARE / ITAS GADAU	1407	NKANU EAST / NKANU W EST
511	SHIRA / GIADE	1408	NSUKKA / IGBO EZE SOUTH
512	KATAGUM	<b>GOMBE STATE</b>	
<b>BAYELSA STATE</b>		1501	AKKO
601	BRASS / NEMBE	1502	BALANGA / BILLIRI
602	OGBIA	1503	DUKKU / NAFADA
603	SAGBAMA / EKEREMOR	1504	GOMBE / KW AMI / FUNAKAYE
604	SOUTHERN IJAW	1505	KALTUNGO / SHONGOM
605	YENAGOA / KOLOKUMA	1506	YAMALTU / DEBA
<b>BENUE STATE</b>		<b>IMO STATE</b>	
701	ADO / OGBADIBO / OKPAKWU	1601	MBAITOLI / IKEDURU
702	APA / AGATU	1602	IDEATO NORTH / IDEATO SOUTH
703	BURUKU	1603	OKIGW E / ISIALA-MBANO / ONUIMO
704	GBOKO / TARKA	1604	OHAI EGBEMA / OGUTA / ORU W EST
705	MARKURDI'GUMA	1605	ORLU / ORSU / ORU EAST
706	GWER EAST / GWER WEST	1606	NW ANGELE / NJABA / ISU / NKW ERRE
707	KATSINA-ALA / LOGO / UKUM	1607	OW ERRI MUNC / OW ERRI NORTH / OW ERRI W EST
708	KONSHISHA / VANDEIKIYA	1608	AHIAZU MBAISE / EZINHITE
709	KWANDE / USHONGO	1609	ABOH MBAISE / NGOR OKPALA
710	OJU / OBI	1610	EHIME MBANO / IHITE UBOMA / OBOWO
711	OTUKPOOHIMINI	<b>JIGAWA</b>	
<b>BORNO STATE</b>		1701	DUTSE / KIYAW A
801	ASKIRA UBA / HAWUL	1702	BIRNIN KUDU / BUJI
802	BAMA / NGALA / KALA BALGE	1703	GUMEL / MAIGATARI / SULETANKARKAR / GAGARAW
803	BIU / K-KUSAR / SHANI / BAYO	1704	MALAMMADORI / KAUGAMA
804	DIKWA / MAFA / KONDUGA	1705	GW ARAM
805	DAMBOA / GWOZA / CHIBOK	1706	JAHUN / MIGA
806	KAGA / GUBIO /MAGUMERI	1707	KAZAURE / RONI / GW IW A / YANKW ASHI
807	MONGUNO / NGANZAI / MARTE	1708	BIRNIW A / GURI / KIRIKASAMMA
808	KUKAWA / MOBBAR / ABADAN /GUZAMALA	1709	HADEJIA / K. HAUSA / AUYO
809	MAIDUGURI METRO	1710	BABURA/GARKI
810	JERE	1711	RINGIM/TAURA



## LIST OF FEDERAL CONSTITUENCIES & CODES

<b>KADUNA STATE</b>			
1801	KADUNA NORTH	<b>LAGOS STATE</b>	
1802	ZARIA	2401	AGEGE
1803	SOBA	2402	AJEROMI/IFELODUN
1804	IGABI	2403	ALIMOSHO
1805	IKARA / KABAU	2404	AMUWO-ODOFIN
1806	MAKARFI / KUDAN	2405	APAPA
1807	LERE	2406	BADAGARY
1808	KACHIA / KAGARKO	2407	EPE
1809	CHIKUN / KAJURU	2408	ETI-OSA
1810	JEMA'A / SANGA	2409	IBEJU LEKKI
1811	BIRNIN GW ARI / GIW A	2410	IFAKO/IJAIYE
1812	SABON GARI	2411	IKEJA
1813	KADUNA SOUTH	2412	IKORODU
1814	KAURA	2413	KOSOFE
1815	KAURU	2414	LAGOS ISLAND I
1816	ZANGO KATAF / JABA	2415	LAGOS ISLAND II
<b>KANO STATE</b>		2416	LAGOS MAINLAND
1901	KABO / GWARZO	2417	MUSHIN I
1902	DAWAKIN TOFA / TOFA / RIMINGADO	2418	MUSHIN II
1903	BICHI	2419	OJO
1904	DANBATTI / MAKODA	2420	OSHODI ISOLO I
1905	TSANYAW A / KUNCHI	2421	SHODI ISOLO II
1906	BAGW AI / SHANANO	2422	SHOMOLU
1907	SUMATLA / TAKAI	2423	SURULERE I
1908	AJINGI / ALBASU / GAYA	2424	SURULERE II
1909	DOGUW A / TUDUN W ADA	<b>NASARAWA STATE</b>	
1910	BUNKURE / RANO / KIBIYA	2501	AKWANGA / WAMBA / NASSAWA EGGON
1911	KARAYE / ROGO	2502	AWE / DOMA / KEANA
1912	KIRU / BEBEJI	2503	KEFFI / KARU / KOKONA
1913	W UDIL / GARKO	2504	LAFIA / OBI
1914	DALA	2505	NASSARAWA / TOTO
1915	DAW AKIN KUDU / W ARAW A	<b>NIGER STATE</b>	
1916	FAGGE	2601	AGAIE / LAPAI
1917	GW ALE	2602	AGWARA / BORGU
1918	GEZAW A / GABASAW A	2603	BIDA / GBAKO / KATCHA
1919	MADOB I / KURA GARUN MALLAM	2604	BOSSO / PAIKORO
1920	KUMBOTSO	2605	CHANCHAGA
1921	NASSARAWA	2606	GUARARA / SULEJA / TAPA
1922	KANO MUNICIPAL	2607	LAVUN / MOKWA / EDATI
1923	TARAUNI	2608	MAGAMA / RIJAU
1924	UNGOGÓ / MINJIBIR	2609	KOTANGORA / MARIGA / WUSHISHI / SHEGU
<b>KASTINA STATE</b>		2610	SHIRORO / RAFI / MUNYA
2001	KATSINA	<b>OGUN STATE</b>	
2002	BINDAW A / MANI	2701	ABEOKUTA SOUTH
2003	RIMI / CHARANCHI / BATAGARAW A	2702	ABEOKUTA NORTH / ODEDA / OBAFEMI OWODE
2004	DUTSIN-MA / KURFI	2703	IFO / EWEKORO
2005	MUSAW A / MATAZU	2704	ADO ODO / OTA
2006	MASHI /DUTSI	2705	EGBADO SOUTH / IPOKIA
2007	BAURE / ZANGO	2706	EGBADO NORTH / IMEKO AFON
2008	KAITA / JIBIA	2707	IJEBU ODE / ODOGBOLU / IJEBU NORTH EAST
2009	DAURA / SANDAMU	2708	IKENNE / REMO / SHAGAMU
2010	KANKIA / KUSADA / INGAWA	2709	IJEBU NORTH / IJEBU EAST / OGUN WATER SIDE
2011	BAKORI / DANJI	<b>ONDO STATE</b>	
2012	MALUM FASHI / KAFUR	2801	AKOKO NORTH EAST / AKOKO NORTH WEST
2013	FUNTUA / DANDUME	2802	AKKO SOUTH EAST / AKOKO SOUTH WEST
2014	SAFANA / BATSARI / D / M	2803	AKURE NORTH / AKURE SOUTH
2015	KANKARA / FASKARI / SABUWA	2804	IDANRE / IFEDORE
<b>KOGI STATE</b>		2805	ILE OLUJI / OKE IGBO / ODIGBO
2101	ADAVI / OKEHI	2806	OKITIPUPA / IRELE
2102	ANKPA / OMALA / OLAMABO	2807	ESE ODO / ILAJE
2103	BASSA / DEKINA	2808	ONDO EAST / ONDO WEST
2104	IDAH / IGALAMELA / ODOLU / IBAJI / OFU	2809	OWO / OSE
2105	IJIMU / KABBA - BUNU	<b>OSUN STATE</b>	
2106	AJAOKUTA	2901	IREPODUN / OLORUNA / OSHOGBO /OROLU
2107	LOKOJA / KOGI	2902	ODO OTIN / IFELODUN / BORIPE
2108	OKENE / OGORIMA - GOGO	2903	BOLUWADURO / ILA / IFEDAYO
2109	YAGBA EAST / YAGBA WEST / OPAMURO	2904	ATAKUNMOSA EAST / ATAKUNMOSA WEST/ ILESHA EAST
<b>KEBBI STATE</b>		2905	OBOKON / ORIADE
2201	ARGUNGU/AUGIE	2906	IFE CENTRAL / EAST / NORTH / SOUTH
2202	MAIYAMA / KOKO -BESSE	2907	AYEDIRE / IWO / OLA-OLUWA
2203	BIRNIN KEBBI / BUNZA / KALGO	2908	AYEDADE / IREWOLE / ISOKAN
2204	ALEIRO / GW ANDU / JEGA	2909	EDE NORTH / SOUTH / EGBEDERO / EJIGBO
2207	BAGUDO / SURU	<b>OYO STATE</b>	
2208	FAKAI / SAKABA / W ASAGU - DANKO / ZURU	3001	AFIJIO / ATIBA / OYO WEST / OYO EAST
<b>KWARA STATE</b>		3002	AKINYELE / LAGELU
2301	BARUTEN / KAIMA	3003	EGBEDA / ONA - ARA
2302	EDU / MORO / PATEGI	3004	IBARAPA CENTRAL / IBARAPA NORTH
2303	EKITI / ISIN /IREPODUN / OKE - ERO	3005	IBARAPA EAST / IDO
2304	ILORIN EAST / ILORIN SOUTH	3006	SAKI - EAST / SAKI WEST / ATISBO
2305	ILORIN W EST / ASA	3007	IREPO / ORELOPE / OLORUNSOGO
2306	IFELODUN / OFFA / OYUN	3008	ISEYIN / ITESIWAJU / KAJOLA / IWAJOWA
<b>PLATEAU STATE</b>		3010	OGO OLUWA / SURULERE
3101	BASSA / JOS NORTH	3011	OLUYOLE
3102	JOS EAST / JOS SOUTH	3012	IBADAN NORTH EAST / IBADAN SOUTH EAST
3103	BARKIN LADI / RIYOM	3013	IBADAN SOUTH WEST / IBADAN NORTH WEST

## LIST OF FEDERAL CONSTITUENCIES & CODES

3104	MANGU / BOKKOS	3014	IBADAN NORTH
3105	PANKSHIN / KANKE /KANAM	<b>TARABA STATE</b>	
3106	WASE	3401	JALINGO / YORRO / ZING
3107	LANGTAN NORTH / LANGTAN SOUTH	3402	IBI / W UKARI
3108	SHEMDAM / MIKANG QUAAN PAN	3403	GASSOL / BALI
<b>RIVERS STATE</b>		3404	K / LAMIDO / LAU / ARDO KOLA
3201	ABUDUA / ODUAL / AHOADA EAST	3405	DONGA / FAKUM / USSA
3202	AHOADA WEST / OGBA EGB.	3406	SARDAUNA / KURMI / GASHAKA
3203	DEGEMA / BONNY	<b>YOBE STATE</b>	
3204	AKUKU-TORU	3501	BADE / JAKUSKO
3205	ASARI-TORU	3502	BURSARI / GEIDAM / YUNUSARI
3206	OKRIKA / OGU / BOLO	3503	DAMATURU / GUJBA / GULANI / TARMUW A
3207	OPOBO / NKORO / ANDONI	3504	FIKA / FUNE
3208	ELEME TAI / OYIGBO	3505	MACHINA / NGURU /YUSUFAR / KARASUW A
3209	KHANA / GOKANA	3506	NANGERE / POTISKUM
3210	IKWERRE / EMOHUA	<b>ZAMFARA STATE</b>	
3211	ETCHE / OMUMA	3601	KAURA - NAMODA / BIRNIN MAGAJI
3212	OBIO AKPOR	3602	SHINKAFI / ZURMI
3213	PORT-HARCOURT	3603	GUSAU / TSAFE
<b>SOKOTO STATE</b>		3701	BUNGUDU/ MARU
3301	ISA SABON BIRNI	3605	ANKA / TALATA MAFARA
3302	GARONYE / GADA	3606	BAKURA / MARADUN
3303	WURNO / RABAH	3607	GUMMI / BUKKUYUM
3304	ILLELA / GWADABAWA	<b>FCT, ABUJA</b>	
3305	TANGAZA / GUDU	3701	ABAJI / KUJE / KW ALE / GWAGWALADA
3306	BINJI / SILAME	3702	ABUJA MUNICIPAL AREA COUNCIL / BWARI
3307	KWARE / WAMAKKO		
3308	SOKOTO		
3309	DANGE - SUNI / BODINGA		
3310	YABO / SHAGARI		
3311	KEBBE / TAMBUWAL		