NIGERIAN AVIATION HANDLING COMPANY PLC

ANNUAL REPORTS AND AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

NIGERIAN AVIATION HANDLING COMPANY PLC

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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NIGERIAN AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION

Directors

Chairman	Mallam Suleiman Yahyah (OON) - Resigned October 7, 2016 Arc. Usman Bello – Appointed January 12, 2017
Managing Director	Mr. Norbert Bielderman - Dutch
Executive Director	Mrs. Folashade Ode – Appointed March 22, 2016
Non-Executive Directors	Mr. Denis Hasdenteufel - French Dr. Faruk Umar Mr. Ikechukwu Nwachukwu (Resigned October 6, 2016) Mr. David Thomas -Canadian (Resigned March 3, 2017) Mr. Ahmed Uwais Mr. Christopher Oshiafi Mr. Femi Olubanwo (Appointed January 12, 2017) Mr. Solomon Adeusi (Appointed March 23, 2017) Mr. Bolaji Balogun (Resigned March 21, 2016)
Independent Director	Ms. Hadiza Aliko Mohammed
Ag. Company Secretary/General Counsel	Mrs Olaitan Ashipa
Registered Office	Nahco Aviance House Murtala Muhammed International Airport Ikeja, Lagos
Auditors	Ernst & Young (Chartered Accountants) 10th & 13th Floor, UBA House 57 Marina, Lagos.
Bankers	First Bank of Nigeria Ltd GT Bank Plc Citibank Nigeria Ltd Skye Bank Plc Stanbic IBTC Bank Plc Zenith Bank Plc
Registrars	Cardinal Stone Registrars Limited 358, Herbert Macaulay Way Yaba, Lagos P. O. Box 9117 Lagos, Nigeria
RC No.	30954

NIGERIAN AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS

The Directors are pleased to present to the members of the Company their Report and Audited Financial Statements for the year ended 31st December, 2016, which is in compliance with the International Financial Reporting Standards (IFRS).

Principal activities The principal activity of the company is the provision of aircraft, passenger and cargo handling services and other related services.

***Significant* Events** There was no significant event during the year under review

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

Results for the year

	Group 2016 ₦ '000
Group profit for the year before taxation	909,625
Taxation for the year	(328,906)
Profit for the year after taxation	580,719
Non-controlling interest	1,807
Retained profit for the year	578,912

The Directors will propose a gross dividend of 22 kobo per ordinary share of 50 kobo each amounting to ₦357.3 million, to the members at the Annual General Meeting for approval.

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

Mallam Suleiman Yahyah OON	Chairman (Resigned October 7, 2016)
Arc. Usman Bello	Chairman (Appointed January 12, 2017)
Mr. Denis Hadenteufel -French	Vice Chairman
Mr.Norbert Bielderman - Dutch	Managing Director/CEO
Mr. Mobolaji Balogun	Director (Resigned March 21, 2016)
Dr. Faruk Umar	Director
Mr. Christopher Oshiafi	Director
Mr. Ikechukwu Nwachukwu	Director (Resigned October 6, 2016)
Mr. David Thomas - Canadian	Director (Resigned March 7, 2017)
Mr. Ahmed Uwais	Director
Mr. Femi Olubanwo	Director (Appointed January 12, 2017)
Ms. Hadiza Aliko Mohammed	Independent Director
Mr. Solomon Adeusi	Director (Appointed March 23, 2017)
Mrs Folashade Ode	Director (Appointed March 22, 2016)

Directors Retiring In accordance with Article 85 of the Company's Articles of Association, Messrs Usman Bello, Femi Olubanwo and Solomon Adeusi having been appointed since the last Annual General Meeting and being eligible offer themselves for re-election.

Directors Retiring by rotation In accordance with the Articles of Association of the Company and provisions of the Companies and Allied Matters Act, CAP 20, LFN, 2004, Ms Hadiza Aliko Mohammed, Mr. Ahmed Uwais and Dr. Faruk Umar are the Directors retiring by rotation and being eligible offer themselves for re-election.

Directors' The direct and indirect interests of the Directors in the issued share capital Interest of the Company as recorded in the Register of Directors' shareholdings and/or notified by them for the purpose of Sections 275 of the Companies and Allied Matters Act, CAP C 20 LFN 2004 were as follows:

Directors' Shareholding:

Name	No of Shares 31st December, 2015	No of Shares 31st December, 2016	No of Shares 28th February, 2017
Mallam Suleiman Ismail Yahyah OON - Direct - Indirect (Rosehill Group Ltd)	2,585,941 31,010,148	2,585,941 154,647,970	2,585,941 154,647,970
Mr. Denis Hasdenteufel - Indirect (Air France)	94,436,717	94,436,717	94,436,717
Arc. Usman Bello	46,405	46,405	46,405
Mr. Ahmed Uwais - Indirect (Sycor Private Investment Ltd)	145,019,530	145,019,530	145,019,530
Dr. Faruk Umar	1,023,745	1,023,745	1,023,745
Mr. Solomon Adeusi - Indirect (Lufthansa Commercial Holding GmbH)	97,453,125	97,453,125	97,453,125
Mr. Christopher Oshiafi	5,621,000	5,621,000	5,621,000
Mr. Femi Olubanwo		2,970	2,970
Ms. Hadiza Aliko Mohammed	1,687	1,855	1,855
Mr. Norbert Bielderman	-	-	-
Mrs Folashade Ode	-	351,535	351,535

Directors' interest (continued)

Some of the Directors have notified the Company for the purposes of section 277 of the Companies and Allied Matters Act, CAP C20 LFN 2004,to the effect that they were members or held some specified interests which could be regarded as interested in any contracts with which the Company was involved during the year under review.

Related party

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

Shareholding The Registrars have advised that the called up and fully paid shares of the Company as at 31st December 2016 were beneficially held as follows:

Share Range Analysis:

	31st December, 2016			28th February, 2017		
Range	No of Holders	No of Units	%	No of Holders	No of Units	%
1 - 10,000	63,999	133,181,619	8.200	63,972	133,083,512	8.194
10,001 - 100,000	8,318	242,632,508	14.938	8,293	241,813,225	14.888
100,001 - 1,000,000	1,016	246,041,172	15.148	1,009	244,792,677	15.071
1,000,001 - 10,000,000	68	152,514,215	9.390	70	155,614,390	9.581
10,000,001 - 100,000,000	12	465,908,535	28.685	12	464,974,245	28.628
100,000,001 - 1,624,218,750	3	383,940,701	23.639	3	383,940,701	23.639
Grand Total	73,416	1,624,218,750	100.000	73,359	1,624,218,750	100.000

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

	31st December, 2016	28th February, 2017
Rosehill Group Ltd	9.52%	9.52%
Sycor Private Investment Limited	8.93%	8.93%
Air France	5.81%	5.81%
Lufthansa Commercial Holding GmBH	6.00%	6.00%
AWHUA Resources Limited	7.11%	7.11%

Acquisition of own share The Company did not acquire any of its shares during the year.

Audit committee Pursuant to Section 359(3) of the Companies and Allied Matters Act CAP C20 LFN 2004, the Company has an audit committee comprising of Directors and Shareholders. The report of the Audit Committee is included in the financial statements and their function is laid out in Section 359(6) of the Companies and Allied Matters Act CAP C20 LFN 2004.

NIGERIAN AVIATION HANDLING COMPANY PLC

REPORT OF THE DIRECTORS - Continued

SHAREHOLDERS' INFORMATION

Share Capital History

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

Donations

The Group did not make any donations and gifts during the year (2015:N15,645,000)

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

Unclaimed dividend

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

Physically Challenged Persons

It is the Group's policy not to discriminate against physically challenged persons.

Employees Health, Safety and Welfare

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

Employees'

This is carried out at various levels within the Group through development internal and external training.

Auditors

Ernst & Young were appointed as Auditors on 22 April, 2016 and have indicated their willingness to continue in office as the Group's auditor in accordance with section 357(2) of the Companies and Allied Matters Act CAP C20 LFN 2004, a resolution will be proposed authorising the Directors to fix their remuneration.

By Order of the Board

Mrs Olaitan Ashipa
FRC/2017/ NBA/00000016408
Ag. Company Secretary
March 2017

NIGERIAN AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT

Corporate Governance

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

Governance Structure

The Board

The Board comprises ten (10) Directors, made up of eight (8) non-Executive and two (2) Executive Directors. The Board is responsible to shareholders for creating and delivering sustainable value through its general supervision of the Company's business. The positions of the Chairman and the Chief Executive Officer are held by different persons, in order to avoid undue concentration of power. The Chairman is responsible for the leadership of the Board and creating the conditions for overall effectiveness of the individual Directors and the Board in general. All of the Directors bring various and varied competencies to bear on all Board decisions. Each individual Director has the experience, knowledge, qualifications, expertise and integrity that is necessary to effectively discharge the duties of the Board of Directors. The Board meets regularly and is responsible for effective control and monitoring of the Company's strategy.

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

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

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

Relationship With Shareholders

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

BOARD MEETINGS

The Board met five (5) times during the 2016 financial year. The meetings were held on 22nd March, 22nd April, 25th July, 26th October, 16th December, 2016. The following is the list of the Directors and their attendance at the Board meeting.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Mallam Suleiman Yahyah	Chairman	3	2
Mr. Denis Hasdenteufej	Vice Chairman	5	5
Mr. Norbert Bielderman	Managing Director/CEO	5	5
Mrs Folashade Ode	Executive Director	5	5
Dr. Faruk Umar	Non-Executive	5	5
Mr. Mobolaji Balogun	Non- Executive	1	1
Arc. Usman Bello	Non- Executive	1	1
Mr. Ike Nwachukwu	Non-Executive	3	3
Mr. Christopher Oshiafi	Non-Executive	5	4
Mr. David Thomas	Non-Executive	5	5
Mr. Ahmed Uwais	Non-Executive	5	5
Ms Hadiza Mohammed	Non-Executive	5	5

Board Committees

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

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

(1) Finance, Strategy and Operations Committee.

(2) Governance, Compliance and Establishment Committee.

(3) Risk and Investment Committee.

Finance, Strategy and Operations Committee
The Committee was chaired by a non-executive director and was made up of four (4) other non-executive directors and one (1) executive director.

The terms of reference include:

(a) Stay informed on a timely basis about the Company's financial status.

(b) As appropriate, review and recommend to the Board, key financial policy matters, oversee development of the budget, financial reporting, its policies and processes.

(c) To review and recommend to the Board the strategic planning processed, long term objectives and strategic plan along with specific business and marketing plans of the Company.

(d) To support Management on the redefinition of market and support management in seeking new ways of being innovative by updating traditional ways of doing business and adding new ones.

(e) Oversee the strategic direction of the Company's innovation and product development programmes, to ensure alignment with the Company's overall corporate strategy.

(f) To review Management submission of capital project as approved by the Board.

(g) To review and make recommendation to the Board on capital project which are beyond the scope of approval limit of Management.

(h) To review Management proposal on the purchase of Ground Support Equipment (GSE) in line with the Company's strategic plan.

Governance, Compliance and Establishment Committee
The Committee was chaired by a non-executive director and made up of four (4) other non-executive directors.

The terms of reference include:

(a) To establish and review on regular basis, the existence of an appropriate code of conduct which focuses on leadership policies and general behaviour within the Company.

(b) Oversees the Board's performance evaluation process.

(c) Access he effectiveness of the Board of Directors as a whole.

(d) Oversees the compliance of all the Company's committees with the Company's Corporate Governance policies and standards.

(e) To make recommendation on the composition of the Board and define the criteria and the procedure for the appointment of Directors to the Board.

(f) To conduct evaluation competency on the appointment of non-executive directors and the senior management.

Governance, Compliance and Establishment Committee - continued

(g) Ensures the Company's remuneration policies and practices support recruitment, development and retention of Executive Directors and senior management and recommend remuneration and promotion of executives and senior management.

Risk and Investment Committee

The Committee was chaired by a non-executive director and made up of four (4) other non-executive directors and one (1) executive director.

The terms of reference include:

(a) Oversight function on all risk related issues.

(b) Determine the efficiency and effectiveness of administrative operating and accounting controls used by the Company.

(c) Reviewing Company's policies and practices as regards the business conduct, ethics and integrity. Encourage whistle blowing process.

(d) To keep under review the effectiveness of the Company's internal controls, audit function and risk management.

(e) To set the overall investment policies of the Company subject to Board approval; and establish investment guidelines, including the Policy Portfolio, regarding asset classes, asset allocation ranges and prohibited investments.

(f) To provide guidance and oversight on investment strategy and reinvestment of the funds of the Company.

MEETINGS HELD BY COMMITTEES

Finance, Strategy and Operations Committee meetings held on 21st March, 20th April, 25th July, 24th October and 29th November, 2016.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Mr. Christopher Oshiafi	Chairman	5	5
Mr. Ike Nwachukwu	Vice Chairman	4	4
Dr. Faruk Umar	Non-Executive	5	5
Mr. David Thomas	Non-Executive	5	5
Mr. Norbert Bielderman	Executive	5	5

Governance, Compliance and Establishment Committee meetings held on 21st March, 21st April, 25th July, 15th August, 18th August, 8th September, 6th October, 28th November and 15th December, 2016.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Mr. David Thomas	Chairman	9	9
Dr. Faruk Umar	Vice Chairman	9	9
Ms Hadiza Aliko Mohammed	Non-Executive	9	9
Mr. Ahmed Uwais	Non-Executive	9	9

Risk and Investment Committee meetings held on 21st April, 6th October and 29th November, 2016.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Ms Hadiza Aliko Mohammed	Chairman	3	3
Mr. Ahmed Uwais	Non-Executive	3	3
Mr. David Thomas	Non-Executive	3	3
Mr. Ikechukwu Nwachukwu	Non-Executive	2	2

The Audit Committee
The Audit Committee was composed of six members made up of three representatives of the Shareholders elected at the 2015 Annual General meeting held on 26th July, 2015 for a tenure of one year till the conclusion of the 2016 Annual General Meeting; and three representatives of the Board of Directors nominated by the Board.

The terms of reference include as provided in section 359 (6) of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria, 2004.

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

2. Reviews the scope and planning of audit requirements;

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

4. Keeps under review the effectiveness of the Company's system of accounting and internal control;

5. Makes recommendations to the Board with regard to the appointment, removal and remuneration of the external auditors of the Company; and

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

Audit Committee meetings held on 9th February, 21st March, 2nd April, 25th July, 24th October and 28th November, 2016.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Dr. Okpan Awa	Chairman	6	6
Mrs Bisi Bakare	Vice Chairman	6	6
Mr. Mohammed Gambo Fagge	Member	6	6
Arc. Usman Bello (Resigned March)	Non-Executive	2	2
Dr. Faruk Umar	Non-Executive	6	6
Mr. Ahmed Uwais	Non-Executive	6	6
Ms Hadiza Aliko Mohammed (Appointed July)	Non-Executive	3	3

Complaint Management Policy
The Board approved the Compliant Management Policy pursuant to the Rules of the Securities & Exchange Commission ("SEC") on the Complaints Management Framework of the Nigerian Capital Market ("Framework") released on 16th February, 2015 and also on the directive of the Nigerian Stock Exchange ("The NSE") contained in its circular No. NSE/LARD/LIR6/15/04/22 issued on 22nd April, 2015 to all listed Companies. The policy is published on the Company's website.

Insider Trading

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

NIGERIAN AVIATION HANDLING COMPANY PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS.

FOR THE YEAR ENDED 31 DECEMBER 2016

The Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the company:

a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004;

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

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

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards issued by International Accounting Standards Board, Financial Reporting Council of Nigeria Act N2 6, 2011 and the requirements of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit for the year ended 31 December, 2016. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

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

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

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS BY:

Arc. Usman Bello	Mr. Norbert Bielderman
Chairman	Managing Director
FRC/2013/NIA/00000002446	FRC/2015/IODN/000000011580
29th March 2017	29th March 2017

REPORT OF THE AUDIT COMMITTEE
TO THE MEMBERS OF NIGERIAN AVIATION HANDLING COMPANY PLC

FOR THE YEAR ENDED 31 DECEMBER 2016

In accordance with the provision of Section 359(6) of the Companies and Allied Matters Act CAP C20 Laws of Federation of Nigeria 2004, members of the Audit Committee of Nigerian Aviation Handling Company Plc report as follows:-

We have exercised our statutory functions under section 359(6) of the Companies and Allied Matter, Act CAP C20 Laws of the Federation of Nigeria 2004, and we acknowledge the co-operation of the management and staff in the conduct of these responsibilities.

We confirm that:

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

DR OKPAN AWA E. Chairman, Audit Committee

In accordance with the requirements of Financial Reporting Council of Nigeria (FRCN) , the Audit committee chairman must be a member of a professional accountancy body. In view of this, a waiver was sought and obtained from the FRC, pending the regularisation of same.

Dated this 22nd Day of March, 2017

MEMBERS OF THE AUDIT COMMITTEE

Dr. Okpan Awa, - (Chairman)	-	Shareholders Representative
Mrs. Bisi Bakare	-	Shareholders Representative
Mr. Mohammed Gambo Fagge	-	Shareholders Representative
Dr. Faruk Umar	-	Non-Executive Director
Mr. Ahmed Uwais	-	Non-Executive Director
Ms. Hadiza Aliko Muhammed	-	Non-Executive Director

Building a better working world

Ernst & Young
10th Floor
UBA House
57, Marina
P. O. Box 2442, Marina
Lagos.

Tel: +234 (01) 631 4500
Fax: +234 (01) 463 0481
Email: Services@ng.ey.com
www.ey.com

Independent Auditors' Report
To the Members of Nigerian Aviation Handling Company Plc
Report on the Audit of the Consolidated and Separate Financial Statements

Opinion
We have audited the accompanying consolidated and separate financial statements of Nigerian Aviation Handling Company Plc ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Nigerian Aviation Handling Company Plc and its subsidiaries as at 31 December 2016 and of their financial performance and their cash flows for the year then ended in accordance with the International Financial Reporting Standards, and the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants (IESBA)* and other independence requirements applicable to performing audits of Nigerian Aviation Handling Company Plc and its subsidiaries. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audits of Nigerian Aviation Handling Company Plc and its subsidiaries. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial Statements - continued

Key Audit Matter	How the matter was addressed in the audit
Restructuring of the Tranch 2 Bond of N2.05 billion. Restructuring of the Tranch 2 Bond of N2.05 billion. During the year under review, the Company sought approval from the Bondholders to restructure the tranche 2 bond to enable principal liquidation on a semi-annual basis. 25% of the bond, amounting N512.5 million, was liquidated in June 2016 and the balance was spread for semi-annual liquidation over the remaining years of the bond. As a result of the restructuring, a premium of 0.5% was agreed increasing the interest rate to 15.75% while a modification fee of N14.4 million was paid. As at 31 December 2016, the bond balance is N1.407billion based on amortised cost representing 22.1% of total liabilities. Management's assessment of the materiality of the modification in determining whether the modification will result in a de-recognition of the old bond and a recognition of a new bond is a complex process and requires significant management judgement. This is due to the uncertainty of discounting modified future cash flows and the significance of the bond value,	Our audit procedures included among others: • We reviewed the minutes of meetings of Board of Directors, executive management and other relevant committee to ascertain the motives for restructuring the bond. We found out that the main reason was to reduce the attendant huge finance cost. • The audit team also recomputed the amortised cost of the modified bond based on modified future cash flows. Management assert that the modification and disclosure change is not material. • We challenged management's assessment of whether the modification is material or not by reviewing their computation and assumptions. The team did a re-computation of the materiality threshold and confirmed that the modification is not material. • We also assessed the adequacy of the Company's disclosure regarding the bond agreements, which are included in Note 28 of the consolidated financial statements.

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial Statements - continued

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, the Report of the Audit Committee, the Statement of Value Added and Five-Year Financial Summary as required by the Companies and Allied Matters Act (CAMA), and the Corporate Governance Report as required by the Securities and Exchange Commission, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our Auditors' report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the International Financial Reporting Standards, relevant provisions of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011, and for such internal control as the Directors determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial Statements - continued

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements - continued

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Independent Auditors' Report

To the Members of Nigerian Aviation Handling Company Plc

Report on the Audit of the Consolidated and Separate Financial Statements - continued

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements - continued

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
ii) in our opinion proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books; and
iii) the Group's and the Company's consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.

Funmi Ogunlowo
FRC/2013/ICAN/00000000681
For: Ernst & Young
Lagos, Nigeria
31 March 2017

NIGERIAN AVIATION HANDLING COMPANY PLC

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2016

		Group		Company	
		2016	2015	2016	2015
	Notes	₦'000	₦'000	₦'000	₦'000
Revenue	5	7,956,977	8,498,626	7,797,899	8,458,700
Operating costs	9a	(5,646,369)	(5,270,687)	(5,683,208)	(5,441,460)
Gross profit		2,310,608	3,227,939	2,114,691	3,017,240
Other income	6a	875,285	297,610	833,846	286,878
Other operating expenses	6b	-	(93,881)	-	(96,149)
Administrative expenses	9b	(1,996,314)	(2,420,516)	(1,852,619)	(2,170,316)
Profit from operations		1,189,579	1,011,152	1,095,918	1,037,653
Finance costs	7	(545,299)	(636,419)	(545,299)	(636,419)
Finance income	7	265,345	422,063	360,956	504,185
Profit before tax		909,625	796,796	911,575	905,419
Income tax expense	8(a)	(328,906)	(259,000)	(328,906)	(259,000)
Profit for the year		580,719	537,796	582,669	646,419
Other comprehensive income		-	-	-	-
Total comprehensive income for the year, net of tax		580,719	537,796	582,669	646,419
Attributable to:					
Profit attributable to equity holders of the parent		578,912	551,253	582,669	646,419
Non-controlling interest	27	1,807	(13,457)	-	-
		580,719	537,796	582,669	646,419
Earnings per share					
Basic/diluted earnings per share (Kobo)	10	36	34	36	40

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Group 2016 ₦'000	Group 2015 ₦'000	Company 2016 ₦'000	Company 2015 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	11	6,348,741	6,820,436	4,991,025	5,311,651
Intangible assets	12	222,597	231,752	128,975	138,130
Investment property	13	135,329	138,127	135,329	138,127
Investment in subsidiaries	14	-		39,500	39,500
Deposit for shares	15	-		1,554,538	1,554,538
Loan to subsidiary	16	-		330,177	373,820
Other non-current assets	17	89,990	2,668,002	89,990	2,668,002
Total non-current assets		**6,796,657**	**9,858,317**	**7,269,534**	**10,223,768**
Current assets					
Inventories	18	197,538	159,276	197,538	159,276
Trade and other receivables	20	1,286,212	1,339,283	1,264,843	1,328,400
Intercompany receivables	21	-	-	861,884	968,136
Loan to subsidiary	16	-	-	439,069	311,355
Prepayments	19	1,423,431	1,386,279	378,117	540,880
Cash and cash equivalents	22	2,930,747	2,186,023	2,663,797	2,037,847
Total current assets		**5,837,928**	**5,070,861**	**5,805,248**	**5,345,894**
Total assets		**12,634,585**	**14,929,178**	**13,074,782**	**15,569,662**
Equity and liabilities					
Equity					
Share capital	23	812,109	812,109	812,109	812,109
Share premium	24	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	26	3,748,817	3,494,749	4,338,761	4,080,936
Total equity attributable to equity holders of the Company		6,475,684	6,221,616	7,065,628	6,807,803
Non-controlling interests	27	(123,350)	(125,157)	-	-
Total equity		6,352,334	6,096,459	7,065,628	6,807,803
Non-current liabilities					
Loans and borrowings	28	1,130,073	4,165,924	1,130,073	4,165,924
Deferred tax liabilities	8C	1,062,474	895,615	1,062,474	895,615
Total non-current liabilities		**2,192,547**	**5,061,539**	**2,192,547**	**5,061,539**

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION - Continued

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Group 2016	Group 2015	Company 2016	Company 2015
		₦'000	₦'000	₦'000	₦'000
Current liabilities					
Current tax liabilities	8B	325,608	365,053	325,608	365,053
Trade and other payables	29	3,239,288	3,248,579	3,142,161	3,206,883
Deferred Income	30	247,268	157,548	71,298	128,384
Loans and borrowings	28	277,540	-	277,540	-
Total current liabilities		4,089,704	3,771,180	3,816,607	3,700,320
Total liabilities		6,282,251	8,832,719	6,009,154	8,761,859
Total equity and liabilities		12,634, 585	14,929,178	13,074,782	15,569,662

ARC. Usman Bello
Chairman
FRC/2013/NIA/00000002446

Mr. Norbert Bielderman
Managing Director
FRC/2015/IODN/00000011580

Mr. Bamidele Adelaja
Chief Finance Officer
FRC/2016/ICAN/00000013885

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Attributable to the equity holders of the parent					
	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000	Non-controlling interest ₦'000	Total equity ₦'000
As at 1 January 2016	**812,109**	**1,914,758**	**3,494,749**	**6,221,616**	**(125,157)**	**6,096,459**
Profit for the year	-	-	578,912	578,912	1,807	**580,719**
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	578,912	578,912	**1,807**	**580,719**
Dividend paid (Note 25)	-	-	(324,844)	(324,844)	-	**(324,844)**
As at 31 December 2016	**812,109**	**1,914,758**	**3,748,817**	**6,475,684**	**(123,350)**	**6,352,334**

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued

FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to the equity holders of the parent					
	Share capital	Share premium	Retained earnings	Total	Non-controlling interest	Total equity
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2015	**738,281**	**1,914,758**	**3,312,636**	**5,965,675**	**(111,700)**	**5,853,975**
Profit for the year	-	-	551,253	551,253	(13,457)	**537,796**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	-	-	551,253	551,253	(13,457)	**537,796**
Bonus issued	**73,828**		(73,828)	-	-	-
Dividend paid (Note 25)			(295,312)	(295,312)	-	(295,312)
Balance at 31st December 2015	**812,109**	**1,914,758**	**3,494,749**	**6,221,616**	**(125,157)**	**6,096,459**

NIGERIAN AVIATION HANDLING COMPANY PLC
SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
As at 1 January 2016	**812,109**	**1,914,758**	**4,080,936**	**6,807,803**
Profit for the year	-	-	582,669	582,669
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	582,669	582,669
Dividend paid (Note 25)	-	-	(324,844)	(324,844)
As at 31 December 2016	**812,109**	**1,914,758**	**4,338,761**	**7,065,628**

NIGERIAN AVIATION HANDLING COMPANY PLC
SEPARATE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
As at 1 January 2015	**738,281**	**1,914,758**	**3,803,657**	**6,456,696**
Profit for the year	-	-	646,419	646,419
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	646,419	646,419
Bonus issued	73,828	-	(73,838)	-
Dividend paid (Note 25)	-	-	(295,312)	(295,312)
As at 31 December 2015	**812,109**	**1,914,758**	**4,080,936**	**6,807,803**

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2016

		Group		Company	
	Notes	2016 ₦'000	2015 ₦'000	2016 ₦'000	2015 ₦'000
Operating activities					
Profit before tax		909,625	796,796	911,575	905,419
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment (PPE)	11	890,160	880,767	732,545	727,435
Depreciation of investment property	13	2,798	5,119	2,798	5,119
Amortisation of intangible asset	12	35,575	32,906	35,575	32,906
Investment property written off		-	8,893	-	8,893
(Gain)/loss on disposal of PPE	6a&6b	(7,016)	18,257	(7,016)	18,257
Impairment (gain)/loss on trade receivable	6a&6b	(17,093)	47,839	(17,093)	47,839
Unrealised exchange gain	6a	(335,212)	-	(293,862)	-
Deferred rent released to profit or loss	6a	(232,139)	(221,573)	(232,139)	(210,841)
Finance cost	7	545,299	636,419	545,299	636,419
Finance income	7	(265,345)	(422,063)	(360,956)	(504,185)
Working capital adjustments:					
Increase in inventories		(38,262)	(2,525)	(38,262)	(2,525)
Decrease/(increase) in trade and other receivables		70,164	(186,572)	(14,964)	(286,315)
Decrease/(increase) in intercompany receivables		-	-	106,252	(620,136)
(Increase)/decrease in prepayments		(37,152)	(588,519)	162,763	182,280
(Decrease)/increase in trade and other payables		(9,291)	177,078	(64,722)	160,314
		1,512,111	**1,182,823**	**1,467,788**	**1,100,879**
Taxation paid	8(b)	(201,492)	(214,354)	(201,492)	(214,354)
Net cash flows from operating activities		**1,310,619**	**968,469**	**1,266,296**	**886,525**

NIGERIAN AVIATION HANDLING COMPANY PLC

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS – Continued
FOR THE YEAR ENDED 31- DECEMBER, 2016

		Group		Company	
	Notes	2016	2015	2016	2015
		₦'000	₦'000	₦'000	₦'000
Investing activities			-		
Purchase of property, plant and equipment	11	(431,171)	(780,285)	(424,625)	(636,015)
Proceeds from disposal of property, plant and equipment		19,722	3,179	19,722	3,179
Purchase of intangible assets	12	(26,420)	-	(26,420)	-
Purchase of investment properties		-	(9,945)	-	(9,945)
Rent received	30	321,859	318,312	175,053	278,416
Bond repayment fund	17	2,578,012	(496,928)	2,578,012	(496, 928)
Loan repaid by/(granted to) subsidiary	16	-	-	11,543	(223,488)
Interest received	7	265,345	422,063	360,956	504,185
Increase in investment in subsidiary		-	-	-	(4,000)
Net cash outflows from/(used in) investing activities		**2,727,347**	**(543,604)**	**2,694,241**	**(584,596)**
Financing activities					
Repayment of bond	28	(2,786,267)	-	(2,786,267)	-
Finance cost	7	(517,341)	(598,177)	(517,338)	(598,177)
Dividends paid		(324,844)	(295,312)	(324,844)	(295,312)
Net cash flows used in financing activities		**(3,628,452)**	**(893,489)**	**(3,628,449)**	**(893,489)**
Net increase/(decrease) in cash and cash equivalents		409,512	(468,624)	332,088	(591,560)
Net foreign exchange difference		335,212	-	293,862	-
Cash and cash equivalents, beginning of the year		2,186,023	2,654,648	2,037,847	2,629,407
Cash and cash equivalents, end of the year	**22**	**2,930,747**	**2,186,024**	**2,663,797**	**2,037,847**

1. Reporting entity

Nigerian Aviation Handling Company PLC ("nahco aviance" or "the Company") is a company domiciled in Nigeria with its registered office at Murtala Muhammed International Airport, Ikeja, Lagos. The consolidated financial statements of the Company for the period ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

2. Basis of preparation

(a) Statement of compliance

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

The financial statements were authorised for issue by the directors on 29 March 2017.

(b) Functional and presentation currency

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

(c) Basis of measurement

These financial statements are prepared on the historical cost basis.

(d) Use of estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

(d) Use of estimates and judgements - continued

Judgements

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

Operating lease commitments – Group as lessor

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

Going concern

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

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Re-assessment of useful lives and residual values

The Group carries its PPE at cost in the consolidated and separate statements of financial position. The annual review of the useful lives and residual value of PPE result in the use of significant management judgements.

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.

(d) Use of estimates and judgements - continued

Impairment of non-financial assets
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions, conducted at arm's length for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

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

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

3. Significant accounting policies

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

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2016. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

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

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

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

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

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

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

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

3. Significant accounting policies - continued

(b) Foreign currency

Foreign currrency transactions

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

(c) Property, plant and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

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

3. Significant accounting policies - continued

Depreciation

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

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

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

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

De-recognition

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

(d) Intangible assets

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

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

Intangible assets acquired separately

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

3. Significant accounting policies - continued

Derecognition of intangible assets

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

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

(e) Inventories

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

(f) Financial Instruments

i) Financial assets

Initial recognition and measurement

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All financial assets are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as follows:

- Loans and receivables

Loans and receivables

This category is the most relevant to the Group. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate method (EIR), less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The Effective Interest Rate amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Trade and other receivables

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

Cash and cash equivalents

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

3. Significant accounting policies - continued

(f) Financial Instruments - continued

i) Financial assets- continued

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

• The rights to receive cash flows from the asset have expired

Or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

3. Significant accounting policies - continued

(f) Financial Instruments - continued

ii) Financial liabilities - continued

Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(g) Share Capital

Ordinary Shares

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

Dividend on ordinary shares

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

(h) Taxation

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

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

3. Significant accounting policies – continued

(i) Impairment of financial instruments

Financial assets

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

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

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

Non-financial assets

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

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

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

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

(j) Employee benefits

Defined contribution plans

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

3. Significant accounting policies – continued

(j) Employee benefits – continued

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

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

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

(l) Revenue recognition
Services
Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

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

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

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

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

3. Significant accounting policies – continued

(n) Leased assets

Leases in term of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

(o) Lease Payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject to a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other considerations required by such an arrangement into those for other elements on the basis of their relative fair values, If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised on a straight line.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an 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 basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(p) Investment property

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

(q) Earnings per share

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

3. Significant accounting policies – continued

(r) Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability

Or

• In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

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

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

s) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

• Expected to be realised or intended to be sold or consumed in the normal operating cycle

• Held primarily for the purpose of trading

• Expected to be realised within twelve months after the reporting period

Or

• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

3. Significant accounting policies – continued

s) Current versus non-current classification - continued

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

4a. New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2016. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2016, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing IFRS preparer and is not involved in any rate-regulated activities, this standard does not apply.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant

IFRS 3 *Business Combinations* principles for business combination accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation if joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are applied prospectively. These amendments do not have any impact on the Group as there has been no interest acquired in a joint operation during the period.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is a part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively and do not have any impact on the Group, given that it has not used a revenue-based method to depreciate its non-current assets.

4a. New and amended standards and interpretations - continued

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41 *Agriculture*. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* will apply. The amendments are applied retrospectively and do not have any impact on the Group as it does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements have to apply that change retrospectively. These amendments do not have any impact on the Group's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements include:

IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*

Assets (or disposal groups) are generally disposed of either through sale or distribution to the owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment is applied prospectively.

IFRS 7 *Financial Instruments: Disclosures*

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures need not be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment is applied retrospectively.

IAS 19 *Employee Benefits*

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment is applied prospectively.

4a. New and amended standards and interpretations - continued

IAS 34 *Interim Financial Reporting*
The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment is applied retrospectively.

These amendments do not have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative
The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments do not have any impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception
The amendments address issues that have arisen in applying the investment entities exception under IFRS 10 *Consolidated Financial Statements*. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 *Investments in Associates and Joint Ventures* allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments are applied retrospectively and do not have any impact on the Group as the Group does not apply the consolidation exception.

4b) Standards issued but not yet effective

The standards and interpretations issued, but not yet effective, up to the date of issuance of the Group's financial statements are discussed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 *Financial Instruments*

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities. The Group is yet to perform impact assessment on IFRS 9.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group does not anticipate early adopting IFRS 15 and is yet to evaluate its impact.

IFRS 16 – Leases

IFRS 16 – Leases was issued in January 2016 and will replace IAS 17 – Leases. The new standard is effective for annual periods beginning on or after 1 January 2019. The accounting treatment of leases by lessees will change fundamentally based on the new standard. IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice – i.e. lessors continue to classify leases as finance and operating leases.

The Company is currently assessing the impact of the standard.

4b) Standards issued but not yet effective - continued

Amendments to IFRS 10 and IAS 28: ***Sale or Contribution of Assets between an Investor and its Associate or Joint Venture***
The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and require 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. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Group.

IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12
The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments 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.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments are effective for annual periods beginning on or after 1 January 2017 with early application permitted. If an entity applies the amendments for an earlier period, it must disclose that fact. These amendments are not expected to have any impact on the Group.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2
The IASB issued amendments to IFRS 2 *Share-based Payment* that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. The Group is assessing the potential effect of the amendments on its consolidated financial statements.

4b) Standards issued but not yet effective - continued

Transfers of Investment Property (Amendments to IAS 40)

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date.

Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight. The amendments are effective for annual periods beginning on or after 1 January 2018, Early application of the amendments is permitted and must be disclosed.

FRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation

Or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

First-time adopters of IFRS are also permitted to apply the interpretation prospectively to all assets, expenses and income initially recognised on or after the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2018, Early application of the amendments is permitted and must be disclosed.

5. Revenue

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

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Passenger/ Aircraft handling	3,988,111	3,509,198	3,988,111	3,509,198
Cargo handling	3,683,631	4,675,591	3,546,087	4,635,665
Equipment rental and maintenance	263,701	303,104	263,701	313,837
Leasing	21,534	10,733	-	-
	7,956,977	8,498,626	7,797,899	8,458,700

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

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

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

Leasing: A subsidiary, NFZ ltd is into the leasing of properties and heavy duty equipment to different Airline companies

b. Ten major customers contributed N2.9 billion (2015:N2.5 billion) towards the revenue of the group.

6a Other income

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Rental income from investment property	232,139	221,573	232,139	210,841
Foreign exchange gain – realized	161,262	-	161,262	-
Sundry Income	115,614	71,852	115,525	71,852
Foreign exchange gain – unrealized	335,212	-	293,862	-
Impairment allowance recovery	17,093		17,093	
Profit on disposal of property, plant and equipment	7,016	-	7,016	-
Income from training services	6,949	4,185	6,949	4,185
	875,285	297,610	833,846	286,878

6b Other operating expenses

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Investment property written off	-	8,893	-	8,893
Bad debt on rentals	-	7,639	-	7,639
Impairment allowance on receivables	-	47,839	-	47,839
Loss on disposal of property, plant and Equipment	-	18,257	-	18,257
Foreign exchange loss - realised	-	11,253	-	13,521
	-	93,881	-	96,149

7 Finance income and expense

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Finance income:				
Interest income on bond reserve	194,762	251,269	194,762	251,269
Interest income on treasury bill	3,877	64,462	3,877	64,462
Interest income on fixed & bank deposits	66,706	106,332	66,706	105,456
Interest income on loan	-	-	95,611	82,998
	265,345	422,063	360,956	504,185
Interest expense on financial liabilities measured at amortised cost				
Interest on bond	480,059	592,125	480,059	592,125
Other bond charges	65,240	44,294	65,240	44,294
Finance expense	545,299	636,419	545,299	636,419
Net finance costs	(279,954)	(214,356)	(184,343)	(132,234)

Finance income comprises interest income on funds invested. Finance costs comprise of interest expenses on borrowings. Interest of 13% was charged on existing N2.15billion bond and 15.25% on the N2.05billion raised in December 2013.
Effective June 2016, Tranche 2 bond was restructured to enable half -yearly liquidation of principal and interest renegotiated to 15.75% per annum. Tranche 1 was completely paid off having exhausted its useful life of 5 years in September 2016.

The full effect of the gains due to the restructuring of bond 2 will be felt incrementally over five years period to 2020.

8. Taxation

(a) The tax charge for the period comprises:

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Company income tax	135,039	158,500	135,039	158,500
Education tax	27,008	33,500	27,008	33,500
Deferred tax	166,859	67,000	166,859	67,000
	-------------	-----------	------------	-----------
	328,906	259,000	328,906	259,000
	=======	=======	=======	=======

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

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Balance, beginning of year	365,053	387,407	365,053	387,407
Charge for the year (Note 8a)	162,047	192,000	162,047	192,000
Payments made during the year	(201,492)	(214,354)	(201,492)	(214,354)
	-------------	-------------	-------------	-------------
Balance, end of year	325,608	365,053	325,608	365,053
	=======	=======	=======	=======

Reconciliation between tax expense and the product of accounting profit for the year ended 31 December 2016 is as follows:

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Accounting profit before income tax	909,625	796,796	911,574	905,419
	------------	-------------	-------------	-------------
At Nigeria's statutory income tax rate of 30% (2015: 30%)	272,887	239,039	273,472	271,626
Education tax	27,008	33,500	27,008	33,500
Non-deductible expenses	231,275	294,948	231,275	248,948
Non-taxable income	(202,264)	(308,487)	(202,849)	(295,074)
	-------------	------------	-------------	--------------
Income tax expense reported in profit or loss	328,906	259,000	328,906	259,000
	=======	=======	=======	=======
Effective tax rate (%)	36	33	36	29

8. Taxation - continued

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

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Balance, beginning of year	895,615	828,615	895,615	828,615
Charge for the year	166,859	67,000	166,859	67,000
Balance, end of period	1,062,474	895,615	1,062,474	895,615

Deferred tax relates to the following:

Group

	Statement of financial position		**Statement of comprehensive income**	
	2016	**2015**	**2016**	**2015**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Property, plant and equipment	974,315	895,615	78,700	67,000
Unrealised exchange gain loss	88,159	-	88,159	
Deferred tax expense			**166,859**	**67,000**
Deferred tax liabilities	1,062,474	895,615		

Company

	Statement of financial position		**Statement of comprehensive income**	
	2016	**2015**	**2016**	**2015**
	₦'000	**₦'000**	**₦'000**	**₦'000**
Property, plant and equipment	974,315	895,615	78,700	67,000
Unrealised exchange gain loss	88,159	-	88,159	
Deferred tax expense			**166,859**	**67,000**
Deferred tax liabilities	1,062,474	**895,615**		

9a **Operating costs**

	Group			Company
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Payroll costs	2,867,169	2,950,095	2,867,169	2,934,086
Pensions	301,238	122,092	301,238	121,815
Staff participatory	55,773	41,025	55,773	41,025
Ground rent	230,299	207,680	230,299	207,680
Concession	400,033	427,716	400,033	427,716
Management service fee	175,529	308,369	175,529	308,369
Machine and equipment spares	127,327	75,905	122,991	60,447
Depreciation of property, plant and equipment	627,093	555,445	480,032	408,384
Computer expenses	121,560	240,268	121,560	240,268
Staff uniforms and protective equipment	33,538	15,952	33,538	15,952
Security charges	7,320	70,475	7,320	70,475
Fuel & lubricant	134,901	141,402	134,901	141,402
Lease rental	24,451	24,451	396,930	396,930
Other operating expenses	540,138	89,812	355,895	66,911
	5,646,369	5,270,687	5,683,208	5,441,460

9b Administrative Expenses;

Payroll costs	470,458	396,644	392,531	300,849
Directors remuneration	124,863	154,398	124,863	122,598
Entertainment	25,324	23,613	25,324	23,613
Laundry and cleaning	41,735	36,971	41,735	36,971
Medical expenses	35,225	82,420	34,560	81,767
Insurance	66,160	74,160	65,396	72,713
Pensions	59,431	47,111	59,431	41,536
Printing & stationary	21,131	19,098	19,745	18,245
Training	41,492	138,682	40,336	135,576
Transport & travelling	137,640	150,429	128,993	130,273
Audit fee	10,000	18,000	10,000	15,000
Fuel & oil	22,490	51,365	22,188	51,090
Professional expenses	82,607	153,917	60,495	98,275
Depreciation/ amortisation	301,439	363,347	290,885	357,075
Repair & maintenance	55,204	123,223	55,204	121,573
Utilities	83,000	77,555	83,000	77,363
Board expenses	136,151	179,591	135,151	170,281
Computer expenses	75,510	23,186	73,180	22,245
Staff participatory	13,943	17,093	13,943	17,093
Employee compensation	21,000	36,000	21,000	36,000
Industrial training fund	21,000	36,000	21,000	36,000
Bank charges	18,468	25,066	17,240	23,658
Others	132,043	192,647	115,419	180,522
	1,996,314	2,420,516	1,852,619	2,170,316

9c Impairment losses on financial assets

Impairment loss recognised on trade receivables (See note 32)	(17,093)	47,839	(17,093)	47,839
	=======	=======	=======	=======

9d Depreciation

Depreciation of property, plant and equipment	890,160	880,767	732,545	727,435
Amortisation of intangible assets	35,575	32,906	35,575	32,906
Depreciation of investment property	2,798	5,119	2,798	5,119
	-------------	-------------	-------------	-------------
	928,533	918,792	770,918	765,460
	=======	=======	=======	=======

10. Basic earnings per share

The calculation of basic earnings per share at 31 December 2016 was based on the earnings attributable to ordinary shareholders of N492 million (2015: N551 million) and on ordinary shares of 1,624,218,200 of N0.50 each being the average number of ordinary shares in issue during the year.

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Profit attributable to ordinary shareholders	492,047	551,253	495,804	646,419
	=======	=======	=======	=======
Average number of ordinary shares	1,624,218	1,624,218	1,624,218	1,624,218
Basic/diluted EPS	30	34	31	40
	=======	=======	=======	=======

11. Property, plant and equipment – Group

GROUP	Land ₦'000	Building ₦'000	Plant & Machinery ₦'000	Motor Vehicles ₦'000	Computer Equipment ₦'000	Furniture& Equipment ₦'000	Capital WIP ₦'000	Total ₦'000
COST								
At I January 2015	**675**	**2687,953**	**6,480,600**	**543,825**	**899,613**	**339,826**	**55,386**	**11,007,878**
Additions	**49,543**	**259,665**	**198,044**	**74,701**	**117,748**	**80,584**	**-**	**780,285**
Disposal	**-**	**-**	**-**	**(44,520)**	**(9,712)**	**(337)**	**(7,700)**	**(62,269)**
At 31 December 2015	**50,218**	**2,947,618**	**6,678,644**	**574,006**	**1,007,649**	**420,073**	**47,686**	**11,725,894**
Additions		181,206	57,389	11,603	153,282	27,691		431,171
Disposals	-		(171,412)	(128,101)		(4,495)		(304,008)
At 31st December 2016	**50,218**	**3,128,824**	**6,564,621**	**457,508**	**1,160,931**	**443,269**	**47,686**	**11,853,057**
DEPRECIATION								
At 1 January 2015	**46**	**204,204**	**2,397,946**	**418,768**	**780,425**	**264,135**	**-**	**4,065,524**
Charge for the year	**3,858**	**65,291**	**555,445**	**73,746**	**130,291**	**52,136**	**-**	**880,767**
Disposal	**-**	**-**	**-**	**(31,299)**	**(9,414)**	**(120)**	**-**	**(40,833)**
At 31 December 2015	**3,904**	**269,495**	**2,953,391**	**461,215**	**901,302**	**316,151**	**-**	**4,905,458**
Charge for the year	1,000	62,262	563,174	59,140	157,972	46,612	-	890,160
Disposals			(164,734)	(122,295)		(4,273)		(291,302)
At 31st December 2016	**4,904**	**331,757**	**3,351,831**	**398,060**	**1,059,274**	**358,490**	**-**	**5,504,316**
NET BOOK VALUE								
At 31st December 2016	**45,314**	**2,797,067**	**3,212,790**	**59,448**	**101,657**	**84,779**	**47,686**	**6,348,741**
At 31 December 2015	**46,314**	**2,678,123**	**3,725,253**	**112,791**	**106,347**	**103,922**	**47,686**	**6,820,436**

11. Property, plant and equipment - Company

	Land	Building	Plant & Machinery	Motor Vehicles	Computer Equipment	Furniture& Equipment	Capital WIP	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 January 2015	**675**	**2,687,953**	**4,926,062**	**543,825**	**899,456**	**339,826**	**55,386**	**9,453,183**
Additions	**49,543**	**171,550**	**198,044**	**65,713**	**112,274**	**38,891**	**-**	**636,015**
Disposal	-	-	-	**(44,520)**	**(9,712)**	**(337)**	**(7,700)**	**(62,269)**
At 31 December 2015	**50,218**	**2,859,503**	**5,124,106**	**565,018**	**1,002,018**	**378,380**	**47,686**	**10,026,929**
Additions	-	181,206	57,389	11,603	150,894	23,533	-	424,625
Disposals	-		(171,412)	(128,101)		(4,495)	-	(304,008)
At 31st December 2016	**50,218**	**3,040,709**	**5,010,083**	**448,520**	**1,152,912**	**397,418**	**47,686**	**10,147,546**
Depreciation								
At 1 January 2015	**46**	**204,204**	**2,361,110**	**418,768**	**780,413**	**264,135**	-	**4,028,676**
Charge for the year	**3,858**	**64,495**	**408,384**	**72,690**	**128,757**	**49,251**	-	**727,435**
Disposal	-	-	-	**(31,299)**	**(9,414)**	**(120)**		**(40,833)**
At 31 December 2015	**3,904**	**268,699**	**2,769,494**	**460,159**	**899,756**	**313,266**	-	**4,715,278**
Charge for the year	1,000	61,466	416,113	56,893	155,216	41,857	-	732,545
Disposals			(164,734)	(122,295)		(4,273)	-	(291,302)
At 31 December 2016	**4,904**	**330,165**	**3,020,873**	**394,757**	**1,054,972**	**350,850**	-	**5,156,521**
NET BOOK VALUE								
At 31st December 2016	**45,314**	**2,710,544**	**1,989,210**	**53,763**	**97,940**	**46,568**	**47,686**	**4,991,025**
At 31st December 2015	**46,314**	**2,590,804**	**2,354,612**	**104,858**	**102,262**	**65,115**	**47,686**	**5,311,651**

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
12. Intangible assets	N'000	N'000	N'000	N'000
Cost				
As at 1 January	413,509	413,509	319,887	319,887
Additions	26,420	-	26,420	-
As at 31 December	439,929	413,509	346,307	319,887
Amortisation				
As at 1 January	181,757	148,851	181,757	148,851
Amortisation for the year	35,575	32,906	35,575	32,906
As at 31 December	217,332	181,757	217,332	181,757
Carrying amounts				
As at 31 December	222,597	231,752	128,975	138,130

During the year, the Company invested in a new Cargo processing, invoicing and payment system known as Gal axy Software.

13. Investment property	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Cost				
Balance at 1 January	157,527	157,428	157,527	157,428
Additions	-	9,945	-	9,945
Disposals		(9,846)		(9,846)
Balance as at 31 December	157,527	157,527	157,527	157,527
Depreciation				
Balance at 1 January	19,400	15,234	19,400	15,234
Charge for the year	2,798	5,119	2,798	5,119
Disposals		(953)		(953)
Balance as at 31 December	22,198	19,400	22,198	19,400
Carrying amounts				
Balance as at 31 December	135,329	138,127	135,329	138,127

The fair value of the investment property as at 31st December 2016 was N1.686 Billion (2015: N1.686 Billion). Total revenue from the investment property as at 31st December, 2016 is N232 million (2015: N211million).

13. Investment property – continued

		Company & Group	
		Dec-16	Dec-15
		N'000	N'000
Rental income derived from investment properties		232,139	210,841
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)		(53,056)	(46,037)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)		-	-
Profit arising from investment properties carried at fair value	179,083	164,804	

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.
Fair value hierarchy disclosures for investment properties are in Note 34.

14. Investment in subsidiaries

	Company	
	Dec-16	Dec-15
	N'000	N'000
Shares in subsidiaries:		
Nahco FTZ Limited	10,000	10,000
Nahco Energy and Power Limited	25,500	25,500
Mainland Cargo Options Ltd	4,000	4,000
Balance as at 31 December	39,500	39,500

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

(i) NFZ Limited

The company holds N10 million ordinary shares of N1 in this subsidiary, representing 100 percent of the issued share capital of N10 million. The principal activity of this subsidiary is the management and operation of Free Trade Zone which includes: leasing of plant and equipment, logistics, warehousing, transhipment, manufacturing and provision of related services. NAHCO FTZ was granted approval to operate at the Murtala Mohammed International Airport, Lagos as NFZ by the Nigerian Export Processing Zone Authority (NEPZA) in February 2014 and the applicable fees have been paid. The Company has since commenced activities towards making the zone operational

(ii) NAHCO Energy and Power Limited

The Company holds N25.5 million ordinary shares of N1 in this subsidiary representing 63 percent of the issued share capital of N40.5 million. The remaining shares are held by RHG, a shareholder of Nigerian Aviation Handling Company Plc. The company intends to carry out energy and power distribution in Nigeria.

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

14. Investment in subsidiaries – continued

(iii) Mainland Cargo Options Limited
The Company holds 4 million ordinary shares in the subsidiary representing 40% of the issued share capital of N10 Million. The remaining 60% are owned by NAHCO Energy and Power Limited. In addition, the business strategy, operations and the board of the Company are under the control of Nigerian Aviation Handling Company Plc. The Company is into cargo logistics and started operations in 2015.

Disclosure of Entity with Non- Controlling Interest within the group

Summary of financial position and performance of Mainland Cargo Options Limited as at 31 December 2016 is shown below:			
Proportion of equity interests held by non-controlling interests			
Name	Country of incorporation and operation	2016	2015
Mainland Cargo Options Limited	Nigeria	22.20%	22.20%
Summarized Statement of financial position			
		31/12/2016	31/12/2015
		N'000	N'000
Non-current assets		11,659	8,882
Current assets		70,861	40,000
Total Assets		82,520	48,882
Total equity		18,204	(865)
Non-controlling interest		5,195	(2,390)
Non-current liabilities		-	-
Current liabilities		65,613	49,747
Total Equity and Liabilities		89,012	46,492
Summarized Statement of comprehensive income		-	
		31/12/2016	31/12/2015
		N'000	N'000
Revenue		137,544	39,926
Profit /(loss)		17,773	(10,865)
Profit attributable to the owners of the company		15,966	(8,475)
Profit attributable to the non-controlling interests		1,807	(2,390)
Other Comprehensive income/(loss)		-	-
Total Comprehensive income		17,773	(10,865)
Summarized Statement of Cash Flows			
Net cashflows from operating activities		34,953	(16,026)
Net cashflows from investing activities		(5,307)	(10,221)
Net cashflows from financing activities		(2,568)	(50,356)

14. Investment in subsidiaries - continued

Disclosure of Entity with Non- Controlling Interest within the group – continued

NAHCO Energy and Power Limited has not commenced operation. Hence, its summary financial statements are not provided.

15. Deposit for shares

	Company	
	Dec-16	Dec-15
	N'000	N'000
Balance at 1 January	1,554,538	-
Additions	-	1,554,538
Balance as at 31 December	1,554,538	1,554,538

The balance represents deposit made by the holding company for the Shares in subsidiary, NFZ Limited

16. Loan to Subsidiary

	Company	
	Dec-16	Dec-15
	N'000	N'000
As at 1 January	685,175	378,689
Additions	-	223,488
Reversal/payment	(11,543)	-
Accrued interest	95,614	82,998
Balance as at 31 December	769,246	685,175

Current	439,069	311,355
Non-current	330,177	373,820

This majorly represents the loan of $1.26 million (N211.05 million) and $760,000 (N127.3 million) granted by the company to its subsidiary, NAHCO FTZ Limited in February and June 2014 respectively. These facilities are payable in 60 equal instalments from 1st January, 2017 and 1st June, 2017 respectively. The facilities were granted at an interest rate of 17.75% (365 days a year). The adjusted balance relates to transactions invoiced to the subsidiary in 2015 but were cancelled during the year in review.

17 Other non- current assets

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
Other non- current assets comprise of:				
	N'000	N'000	N'000	N'000
Bond repayment fund-				
Balance at 1 January	2,668,002	2,171,074	2,668,002	2,171,074
Additions during the year	770,467	1,089,054	770,467	1,089,054
	3,438,469	3,260,128	3,438,469	3,260,128
Interest distributions	(562,212)	(592,126)	(562,212)	(592,126)
Liquidation on Principal - Tranche 1	(2,150,000)	-	(2,150,000)	-
Periodic liquidation on Principal - Tranche 2	(636,267)	-	(636,267)	-
Balance at 31 December	89,990	2,668,002	89,990	2,668,002

The balance on this account represents the amount available in the Debt Service Reserve Account for the eventual repayment of the principal amount of the Bond. An amount is set aside every month toward settlement of bi- annual interests and eventual repayment of principal to bond holders. Tranche 1 bond series repayment was completed in September 2016 and the liability was fully discharged. The amount accrued as at 31 December 2016 is held by the Trustees. (See note 29)

18. Inventories

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Spare parts	153,166	136,436	153,166	136,436
Stationery/ Medical	28,961	13,992	28,961	13,992
Diesel	15,411	8,848	15,411	8,848
	197,538	159,276	197,538	159,276

Inventories recognized as an expense during 2016 amount to N262.23 million (2015: N217.31 million). This is recognized in cost of operating costs. No amount was recognized for inventory write down during the year (2015: Nil).

19. Prepayments

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Prepayments comprise:				
Deposit for property & equipment	1,116,552	1,285,004	89,641	451,817
Prepaid insurance	32,880	21,599	29,986	21,599
Prepaid Rent	-	15,679	-	15,679
Prepaid Stock	187,200	-	187,200	-
Others	86,799	63,997	71,290	51,785
	1,423,431	1,386,279	378,117	540,880

Deposit for property, plant and equipment (PPE) is largely made up of PPE paid for but yet to be delivered.

20. Trade and other receivables

		Group		Company	
		Dec-16	Dec-15	Dec-16	Dec-15
		N'000	N'000	N'000	N'000
Trade and other receivables comprise:					
Trade receivables (Note 32)		579,897	647,873	567,761	639,966
Due from related parties (Note 21a)	78,758	114,224	78,758	114,224	
Withholding tax receivable		566,499	469,534	563,984	469,534
Other receivables		61,058	107,652	54,340	104,676
		1,286,212	1,339,283	1,264,843	1,328,400

Trade receivables are invoices on ground handling services issued to customers net of taxes and impairment on the debts. The company's credit policy allows a 30 day credit period for all its customers.

Other receivables consist of advances to staff for routine services to be carried out. This is to be retired within fourteen (14) days or completion of projects.

21 Intercompany receivables

	Company	
	Dec-16	Dec-15
	N'000	N'000
NFZ	439,733	539,962
Power and energy	384,340	387,795
Mainland Cargo Options	37,811	40,379
	861,884	968,136

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

21a Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year (for information regarding outstanding balances at 31 December 2016 and 2015, refer to Note 21:

		Payments on behalf of related parties N'000	Rent/service charge N'000	Amounts due from related parties N'000
NFZ	2016	439,733	-	439,733
	2015	539,962	-	539,962
Power and Energy Limited	2016	384,340		384,340
	2015	387,795	-	387,795
Mainland Cargo Options	2016	37,811	-	37,811
	2015	40,379		40,379

Nature of related party transactions

Intercompany receivables are payments made on behalf of the subsidiaries. The subsidiaries have been informed and the company expects to get value from the subsidiaries.

Intercompany receivables are eliminated in the consolidated accounts of the Group.

21a Related party transactions - continued

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

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

Transactions with key management personnel
There were no transactions with key management personnel or their close family members (2015:Nil).

Loans to directors
The group did not lend money to any of its directors during the period in view.

Payments on behalf of key management personnel (KMP):
There were no payments made on behalf of the KMPs during the year in review. (2015: N 0)

Key management personnel compensation:
Variable pay is applicable to Executive Directors and other Senior Management personnel. A total of N13.07 million (2015: 9.7 million) is deferred subject to performance conditions of the company and individuals.

21a Related party transactions - continued

Key management personnel compensation for the year comprised:

	Group		Company	
	2016	2015	2016	2015
Aggregate No. of persons- Snr Mgt.	13	12	9	8
Aggregate No. of persons- Non Exec. Directors.	13	13	10	10
Other Members	-	-	-	-
Total	26	25	19	18

	Group		Company	
	2016	2015	2016	2015
	₦'000	₦'000	₦'000	₦'000
Short-term employee benefits- Fixed	206,359	163,298	149,926	96,688
Short-term employee benefits- Variable	29,482	20,327	22,415	9,727
Total	235,841	183,625	172,341	106,415

Transactions with other related parties

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

The transaction values and outstanding balances due from or (due to) the related parties were as follows:

	Transaction value For y ended		Balance outstanding	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Expenses;				
RHG	63,886	316,217	100,000	105,934
Rosecom Net Ltd	31,750	47,500	-	-
Ericon Bello	-	803	-	-
			100,000	105,934

21a Related party transactions - continued

A. Rosehill Group Ltd (RHG) a shareholder has an agreement with the Company to provide Technical Management services for a fe e of 3.5% of the operational income of NAHCO Plc for each period. Mallam Suleiman Yahyah, the Chairman of the company is also a director of Rosehill Group Ltd (RHG). The agreement was however cancelled effectively from second quarter of 2016.

B. Ericon Bello Consortium was appointed a consultant for the construction of the Cargo warehouse complex project in Abuja in 2015. Arc. Bello is also a director in Ericon Bello Consortium.

C. Rosecom.net Ltd is the internet service provider for NAHCO Lagos, Port Harcourt and Abuja. Mr. Aliyu Yahaya, a director of Rosecom Net Ltd. is a brother to the Chairman of NAHCO Plc.

Trade relationships with related parties	Transaction value for the year		Balance outstanding	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Revenues;				
Lufthansa Airlines	518,159	370,181	39,776	44,580
Air France/ KLM	340,787	207,264	38,982	69,644
			-----------	------------
			78,758	**114,224**
			======	=======

Lufthansa Airlines, KLM and Airfrance (shareholders of the company) entered into a Standard Ground handling Agreement (SGHA) with the company. he value of the services rendered during the year is disclosed above; .

All outstanding balances due to/from the related parties are priced at best price basis and are to be settled in cash. None of these balances is secured.

Entity with control by the Company

NAHCO Free Trade Zone

NAHCO Energy and Power Limited

Mainland Cargo Options.

Terms and conditions of transactions with related party
Outstanding balances at the year-end are advances made to the related parties for the purpose of their operations. There have been no guarantees provided for any related party payables.

22 Cash and cash equivalents

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Bank and cash balances	581,517	395,251	432,880	357,472
Domicilliary accounts	634,502	693,610	516,189	683,265
Treasury bills	-	50,000	-	50,000
Fixed deposits	1,714,728	1,047,162	1,714,728	947,110
	2,930,747	2,186,023	2,663,797	2,037,847

Included in fixed deposits is the investment placed for unclaimed dividend as at December 2016.

23 Share capital

		Group		Company	
		Dec-16	Dec-15	Dec-16	Dec-15
		N'000	N'000	N'000	N'000
(a)	Authorised ordinary shares of 50 kobo each	1,500,000	1,500,000	1,500,000	1,500,000
(b)	Called-up and fully paid ordinary share capital: ordinary shares of 50 kobo each	812,109	812,109	812,109	812,109

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

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

24 Share premium

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Balance at the end of the period	1,914,758	1,914,758	1,914,758	1,914,758

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

25 Dividend proposed

At the Board of Directors meeting held on 29 March 2017, the directors proposed that a dividend 357.3 million at 22kobo per ordinary share of 50 kobo each (2015: 20kobo) would be paid to the shareholders of Nigerian Aviation Handling Company Plc.

The dividend is subject to approval by the shareholders at the Annual General Meeting. Consequently, it has not been included as a liability in this consolidated financial statements.

26 Retained earnings

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Balance, beginning of year	3,494,749	3,312,636	4,080,936	3,803,657
Issue of bonus shares	-	(73,828)	-	(73,828)
Dividend paid	(324,844)	(295,312)	(324,844)	(295,312)
Total comprehensive income for the year	578,912	551,253	582,669	646,419
Balance, end of the year	3,748,817	3,494,749	4,338,761	4,080,936

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

27 Non-controlling interests
Group

	Dec-16	Dec-15
	N'000	N'000
Balance at the beginning of the year	(125,157)	(111,700
Share of current year profit/(losses)	1,807	(13,457)
Balance at the end of the year	(123,350)	(125,157)

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

28 Loans and borrowings

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Unsecured at amortised cost:				
As at 1 January	4,165,924	4,127,682	4,165,924	4,127,682
Part Liquidation	(2,786,267)	-	(2,786,267)	-
Bond origination cost	27,956	38,242	27,956	38,242
As at 31 December	1,407,613	4,165,924	1,407,613	4,165,924
Current	277,540	-	277,540	-
Non-current	1,130,073	-	1,130,073	-
	1,407,613	-	1,407,613	-

28 Loans and borrowings – continued

In September 2009, the Company obtained approval to raise N5 billion bond but decided to raise it in tranches.
Tranche 1 for N2.15 billion at 13 percent per annum was raised in October 2011 and has a 6-year tenor.
The proceed has since been used to finance the modernisation of the warehouse and acquisition of state-of-the-art Ground Handling Equipment (GSE).
Tranche 2 for N2.05 billion at 15.25 percent per annum was raised in December 2013 and has a 7-year tenor. The proceed has been used to finance the acquisition of GSEs and the Company's inorganic expansion.
Interest is paid to investors biannually while the capitalised sum is expected to be paid at the end of the tenor of each tranch. During the period under review, the company sought approval from bondholders to restructure the tranche 2 bond to enable principal liquidation on a semi-annual basis. 25% of the bond was liquidated at June, 2016 and the balance was spread for semi- annual liquidation over the remaining years of the bond. A premium of 0.5% was agreed as premium jacking the interest on tranche 2 to 17.75%.
Also, the tranche 1 bond was completely paid off and all liabilities discharged accordingly.
The Trustees, (First Trustees Limited), maintain an account into which monthly remittances by the Company are made towards offsetting the biannual interest payments as well as repayment of the capital sum. The Company's cashflow is therefore not expected to be affected on maturity as repayment would have been fully provided for.

29 Trade and other payables
Trade and other payables comprise:

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Trade payables	370,498	395,504	370,948	395,504
Other payables (Note 29.1)	2,868,790	2,853,075	2,771,663	2,811,379
	3,239,288	3,248,579	3,142,161	3,206,883

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

29.1 Other payables

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Bond accrued interest	17,826	171,753	17,826	171,753
Management support agreement fee	100,000-	105,934	100,000	105,934
Amount due to government agencies	291,385	384,506	246,908	359,864
Concession fee; FAAN rental & service charge	1,103,872	774,626	1,103,872	774,626
Directors retirement	194,573	190,753	194,573	190,753
Industrial training fund	75,156	72,669	75,156	72,669
Staff participatory scheme	85,755	68,375	85,755	68,375
Performance bonus	123,332	75,021	123,332	75,021
Unclaimed dividend	378,062	326,308	378,061	326,308
Other accruals	498,829	683,130	446,180	666,076
	2,868,790	2,853,075	2,771,663	2,811,379

30 Deferred income

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Balance as at 1 January	157,548	60,809	128,384	60,809
Rent received during the year	321,859	318,312	175,053	278,416
Amount released to profit or loss (Note 6a)	(232,139)	(221,573)	(232,139)	(210,841)
Balance as at 31 December	247,268	157,548	71,298	128,384
Non-current	-	-	-	-
Current	248,352	157,548	71,298	128,384

The above represents majorly, rent received in advance from the tenants.

31 Impairment losses

The aging of trade receivables at the reporting date was:

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Current (1- 30 days)	585,847	326,878	585,847	318,971
31-60 days	67,629	315,308	55,491	315,308
60-180 days	100,354	125,747	100,356	125,747
More than 180 days	766,408	872,840	766,408	872,840
	1,520,238	1,640,773	1,508,102	1,632,866
Impairment	(861,583)	(878,676)	(861,583)	(878,676)
	658,655	762,097	646,519	754,190

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

	Group		Company	
	Dec-16	Dec-15	Dec-16	Dec-15
	N'000	N'000	N'000	N'000
Balance at 1 January	878,676	830,837	878,676	830,837
Impairment losses recognised	-	47,839	-	47,839
Unused amounts reversed	(17,093)	-	(17,093)	-
Balance at the end of the period	861,583	878,676	861,583	878,676

The impairment on trade receivables was in respect of receivables for which the Group has determined that there are objective indicators of impairment. Impairment losses have been recognised based on the difference between the carrying amounts and the present value of the estimated future cash flows on these receivables. The Group holds no collateral in respect of its trade receivables. Impairment loss on trade receivables is recognised in Statement of Comprehensive income.

32. Financial Risk Management objectives and policies

a. Overview

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

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

The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks.
This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

Further quantitative disclosures are included throughout these financial statements.

Credit risk
Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily receivables) and from its financing activities, including deposits with banks.

The maximum exposure to credit risk at the reporting date is the carrying value stated below:

	Group		Company	
	16-Dec	15-Dec	16-Dec	15-Dec
	N'000	N'000	N'000	N'000
Cash and cash equivalents (Note 22)	2,930,747	2,186,023	2,663,797	2,037,847
Trade and other receivables (Note 20)	1,286,212	1,339,283	1,264,843	1,328,400
Intercompany receivables (Note 21)	-	-	861,884	968,136
Loan to Subsidiary (Note 16)	-	-	769,246	685,175
Total financial assets	4,216,959	3,525,306	5,559,770	5,019,558
Trade & Other payables (Note 29)	3,239,288	3,248,579	3, 142,161	3,206,883
Loans and borrowings (Note 28)	1,407,613	4,165,924	1,407,613	4,165,924
Total financial liabilities	5,724,572	7,414,503	4,549,774	7,372,807
Net exposure	(264,664)	(3,889,197)	1,009,996	(2,353,249)

32. Financial Risk Management objectives and policies – continued

Credit risk - continued

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instrument and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and with credit limits assigned to each counterparty. The Group's maximum exposure to credit risk for the components of the statement of financial position as at 31 December 2016 and 2015 is the carrying amount as illustrated in Note 22.

Trade and other receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating scorecard. The requirement for an impairment is analysed at each reporting date on an individual basis for each client. Based on management assessment, no event has occurred since the initial recognition of these assets that may give rise to any objective evidence of impairment.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 18.

Liquidity risk

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

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

32. Financial Risk Management objectives and policies – continued

Liquidity risk – continued

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

Group

	On demand	Less than 3 months	3 to 12 months	1-5 years	> 5 years	Total
Year ended 31 December 2016						
Trade and other payables	-	-	3,239,288	-	-	3,239,288
Loans and borrowings	-	-	277,540	1,136,193	-	1,413,733
	-------------	-------------	----------------	---------------	-------------	----------------
	-	-	3,516,828	1,136,193	-	4,653,021
	=======	=======	========	========	=======	========

	On demand	Less than 3 months	3 to 12 months	1-5 years	> 5 years	Total
Year ended 31 December 2015						
Trade and other payables	-	-	3,248,579	-	-	3,248,579
Loans and borrowings				4,200,000		4,200,000
	-------------	-------------	----------------	---------------	-------------	----------------
	-	-	3,248,579	4,200,000	-	7,448,579
	=======	=======	========	========	=======	========

32. Financial Risk Management objectives and policies – continued

Company

	On demand	Less than 3 months	3 to 12 months	1-5 years	> 5 years	Total
Year ended 31 December 2016						
Trade and other payables	-	-	3,142,161	-	-	3,142,161
Loans and borrowings	-	-	277,540	1,136,193	-	1,413,733
	-	-	3,419,701	1,136,193	-	4,555,894

	On demand	Less than 3 months	3 to 12 months	1-5 years	> 5 years	Total
Year ended 31 December 2015						
Trade and other payables	-	-	3,206,883	-	-	3,206,883
Loans and borrowings	-	-	-	4,200,000	-	4,200,000
	-	-	3,206,883	4,200,000	-	7,406,883

32. Financial Risk Management objectives and policies – continued

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The Group is exposed to currency risk and insignificant interest rate risk. Financial instruments affected by currency risk include cash and short term deposit, trade and other receivables and trade and other payables.

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

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

	Change in USD rate	**Effect on profit before tax**
		N000
2016	5%	61,130
	-5%	(61,130)
2015	5%	84,089
	-5%	(84,089)

	Change in EURO rate	**Effect on profit before tax**
		N000
2016	5%	10
	-5%	(10)
2015	5%	17
	-5%	(17)

32. Financial Risk Management objectives and policies – continued

Foreign currency sensitivity - continued

	Change in POUNDS rate	Effect on profit before tax
2016		**N000**
	5%	**210**
	-5%	(210)
2015	5%	**159**
	-5%	(159)

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

	Amortised cost	**Fair value**	**Carrying amount**
	N'000	N'000	N'000
At 31 December 2016			
Cash and cash equivalents (Note 23)	2,930,747	-	2,930,747
Trade and other receivables (Note 21)	1,286,212	-	1,286,212
Intercompany receivables	-	-	-
Loan to Subsidiary	-	-	-
	-------------	-------------	-------------
Total financial assets	4,216,959	-	4,216,959
	-------------	-------------	-------------
Trade & Other payables	3,239,288	-	3,239,288
Loans and borrowings (Note 29)	1,407,613	-	1,407,613
	-------------	-------------	-------------
Total financial liabilities	4,646,901	-	4,646,901
	-------------	-------------	-------------

32. Financial Risk Management objectives and policies – continued

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

At 31 December 2015			
	Amortised cost	Fair value	Carrying amount
	N'000	N'000	N'000
Cash and cash equivalents (Note 23)	2,186,023	-	2,186,023
Trade and other receivables (Note 21)	1,339,283	-	1,339,283
Intercompany receivables	-	-	-
Loan to Subsidiary	-	-	-
	--------------	---------------	---------------
Total financial assets	3,525,306	-	3,525,306
	---------------	---------------	---------------
Trade & Other payables	3,248,579	-	3,248,579
Loans and borrowings (Note 29)	4,165,924	-	4,165,924
	---------------	---------------	---------------
Total financial liabilities	7,414,503	-	7,414,503
	---------------	---------------	---------------

Company

At 31 December 2016	Amortised cost	Fair value	Carrying amount
	N'000	N'000	N'000
Cash and cash equivalents (Note 23)	2,663,797	-	2,663,797
Trade and other receivables (Note 21)	1,264,843	-	1,264,843
Intercompany receivables	861,884	-	861,884
Loan to Subsidiary	769,246	-	769,246
	----------------	---------------	----------------
Total financial assets	5,559,770	-	5,559,770
	----------------	---------------	----------------
Trade & Other payables	3,042,161	-	3,042,161
Loans and borrowings (Note 29)	1,407,613	-	1,407,613
	---------------	---------------	---------------
Total financial liabilities	4,449,774	-	4,449,774
	---------------	---------------	---------------

32. Financial Risk Management objectives and policies – continued

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

Company

At 31 December 2015	Amortised cost	Fair value	Carrying amount
	N'000	N'000	N'000
Cash and cash equivalents (Note 23)	2,037,847	-	2,037,847
Trade and other receivables (Note 21)	1,328,400	-	1,328,400
Intercompany receivables	968,136	-	968,136
Loan to Subsidiary	685,175	-	685,175
	---------------	---------------	---------------
Total financial assets	5,019,558	-	5,019,558
	---------------	---------------	---------------
Trade & Other payables	3,206,883	-	3,206,883
Loans and borrowings (Note 29)	4,165,924	-	4,165,924
	---------------	---------------	---------------
Total financial liabilities	7,372,807	-	7,372,807
	---------------	---------------	---------------

33. Capital management

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

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

	Group		Company	
	2016	2015	2016	2015
	N'000	N'000	N'000	N'000
Trade and other payables (Note 29)	3,239,288	3,248,579	3,142,161	3,206,883
Loans and borrowings (Note 28)	1,407,613	4,165,924	1,407,613	4,165,924
Less cash and bank balance (Note 22)	(2,930,747)	(2,186,023)	(2,663,797)	(2,037,847)
	---------------	----------------	----------------	----------------
Net debt	1,716,154	5,228,480	1,885,977	5,334,960
Equity	6,475,684	6,221,616	7,065,628	6,807,803
	---------------	----------------	---------------	----------------
Capital and net debt	8,191,838	11,450,096	8,951,605	12,142,763
	========	=========	========	=========
Gearing ratio (%)	21%	46%	27%	44%
	===	====	====	====

33. Capital management - continued

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

34. Fair value measurement of financial assets and liabilities

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

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

Group & Company					
	Carrying Amount			Fair value	
	31-Dec-16	**31-Dec-15**		**31-Dec-16**	**31-Dec-15**
	₦'000	₦'000		₦'000	₦'000
Financial liabilities:					
Interest bearing loans and borrowings	1,407,613	4,165,924		865,212	3,617,342
Total	1,407,613	4,165,924		865,212	3,617,342
Financial assets:					
Investment property	135,329	138,127		1,686,350	1,686,350
Total	135,329	138,127		1,686,350	1,686,350

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

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

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

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

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

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

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observab le market data

As at 31 December 2016 and 31 December 2015, the Group's financial instruments carried on the statement of financial position are measured at amortised cost as such, level 3 has been used for their fair value determination.

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

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2016:

	31 December 2016	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000
Liability for which fair value are disclosed (Note 29):				
Interest bearing loans and borrowings	865,212	-	865,212	-
Asset for which fair value are disclosed (Note 13):				
Investment property	1,686,350	-	-	1,686,350

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

Quantitative disclosures fair value measurement hierarchy for liabilities as at 31 December 2015:

	31 December 2015	Level 1	Level 2	Level 3
	₦'000	₦'000	₦'000	₦'000
Liability for which fair value are disclosed (Note 29):				
Interest bearing loans and borrowings	3,617,342	-	3,617,342	-
Asset for which fair value are disclosed (Note 13):				
Investment property	1,686,350	-	-	1,686,350

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

	2016 ₦'000	2015 ₦'000
35. Revenue		
An analysis of the entity's revenue is as follows:		
Ground Handling	3,988,111	3,509,198
Cargo Handling	3,683,631	4,675,591
Other	285,235	313,837
	7,956,977	8,498,626

35a. Segment reporting

Products and services from which reportable segments derive their revenues

Information reported for the purposes of resource allocation and assessment of segment performance is based on the products delivered or service rendered to customers.

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

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

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

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

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

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

35b. Segment revenue and results

	Segment revenue ₦'000	Cost of sales ₦'000	(Loss)/ profit ₦'000
31 DECEMBER 2016			
Ground Handling	3,988,111	(2,830,013)	1,158,098
Cargo Handling	3,683,631	(2,613,950)	1,069,681
Other	285,235	(202,406)	82,829)
	7,956,977	(5,646,369)	2,310,608

Segment revenue and results - Continued

31 DECEMBER 2015				
Ground Handling		3,509,198	(2,176,338)	1,332,860
Cargo Handling		4,675,591	(2,899,713)	1,775,878
Other		313,837	(194,636)	119,201
	---------------	-----------------	--------------	
		8,498,626	(5,270,687)	3,227,939
		========	=========	========

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

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

35d. Segment assets and liabilities

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

36. Information relating to employees

The average number of persons employed by the company during the financial year was as follows

	2016 Number	2015 Number
Operations	1,514	1,655
Administration	233	234
	------	---------
	1,747	1,889
	=====	=====

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

Naira	2016 Number	2015 Number
650,001 - 750,000	39	115
750,001 – 800,000	276	519
850,001 900,000	310	186
950,001- 950,000	141	92
950,001-Above	981	977
	---------	---------
	1,747	1,889
	=====	=====

Directors mix	2016	2015
Number		Number
Executive	2	3
Non-Executive	8	4
	-----	-----
	7	7
	===	===

37. Contingent liabilities

There are pending lawsuits against the Company in various courst of law. The law suits are being handled by external legal counsel. The contingent liabilities in respect of pending litigations and claims amounted to N 367.2million (2015: N367.2million. No provision has been made in the financial statements for the claims. In the opinion of the directors and based on legal advice, the Company's liability is not likely to be significant.

38 Capital Commitments

The capital commitments of the company for the year ended at 31 December 2016 is as follows:

	Group &Company 2016 N'000	Group & Company 2015 N'000
Contracted but not provided	51,886	102,180
Authorised but not contracted for	-	-
	-----------	-----------
Balance at the end of the period	51,886	102,180
	======	=======

39. Events after the reporting period

On January 2017, the Board of Mainland Cargo Options Ltd , sat and agreed that all ownership of shares be transferred to NAHCO Plc due to non fulfilment of financial obligations by NAHCO Energy. No other events or transactions have occurred since the end of the reporting period, which would have a material effect upon the financial statements at that date or which need to be mentioned in the financial statements in order to make them not misleading as to the financial position or results of operations.

40. Approval of the Financial Statements

The financial statements were approved by the Board of Directors on 29 March 2017.

NIGERIAN AVIATION HANDLING COMPANY PLC

STATEMENT OF VALUE ADDED

	Group				Company			
	2016		2015		2016		2015	
	N'000	%	N'000	%	N'000	%	N'000	%
Revenue	7,956,977		8,498,626		7,797,899		8,458,700	
Other income	875,284		297,611		833,846		286,879	
	8,832,261		8,796,237		8,631,745		8,745,579	
Bought in materials & services	(2,268,191)		(2,137,970)		(2,301,268)		(2,274,623)	
	6,564,070	100	**6,658,267**	100	**6,330,477**	**100**	**6,470,956**	100
Applied as follows:								
To pay employees and directors								
Salaries, wages, pensions and related costs	3,855,769	59%	4,010,947	60%	3,777,842	60%	3,868,345	60%
To providers of capital:								
Finance cost	545,299	8%	636,419	10%	545,299	9%	636,419	10%
Dividend	324,844	5%	295,312	4%	324,844	5%	295,312	5%
Government:								
Income tax expenses	162,047	2%	192,000	3%	162,047	2%	192,000	3%
Asset replacement:								
Depreciation and amortisation	928,533	14%	918,792	14%	770,918	12%	765,460	12%
Deferred taxation	166,859	3%	67,000	1%	166,859	3%	67,000	1%
Retained profit	580,719	9%	537,797	8%	582,668	9%	646,420	10%
	6,564,070	100	**6,658,267**	**100**	**6,330,477**	**100**	**6,470,956**	**100**

FIVE-YEAR FINANCIAL SUMMARY-GROUP

	2016	2015	2014	2013	2012
	N'000	N'000	N'000	N'000	N'000
Profit or loss account					
Revenue	7,956,977	8,498,626	8,133,456	8,092,837	7,396,094
	========	========	========	========	========
Profit before tax	909,625	796,796	769,453	930,457	736,403
Income tax	(328,906)	(259,000)	(200,900)	(170,849)	(143,166)
	---------------	-------------	--------------	-------------	-------------
Profit after tax	580,719	537,796	568,553	759,608	593,237
	========	=======	=========	========	=======
Financial position					
Non-current assets	6,796,657	9,858,317	9,520,280	8,726,889	8,780,309
Current assets	5,837,928	5,070861	4,809,709	4,872,295	2,173,174
	-----------------	-----------------	-----------------	-----------------	-----------------
Total assets	12,634,585	14,929,178	14,329,989	13,599,184	10,953,483
	=========	=========	=========	========	=========
Non-current liabilities	2,192,547	5,061,539	4,956,297	4,971,568	3,033,211
Current liabilities	4,089,704	3,771,180	3,519,717	2,795,385	2,478,508
	---------------	---------------	---------------	---------------	---------------
Total liabilities	6,282,251	8,832,719	8,476,014	7,766,953	5,511,719
	========	========	========	========	========
Financed by:					
Share capital	812,109	812,109	738,281	738,281	738,281
Share Premium	1,914,758	1,914,758	1,914,758	1,914,754	1,914,758
Dividend reserve	-	-	-	442,968	-
Retained earnings	3,748,817	3,494,749	3,312,636	2,838,568	2,829,734
Non-Controlling Interest	(123,350)	(125,157)	(111,700)	-	-
	----------------	--------------	--------	---------------	----------------
Total Equity	6,352,334	6,096,459	5,853,975	5,832,231	5,441,764
	=========	=========	=========	=========	=========
Total equity and liabilities	12,634,585	14,929,178	14,329,989	13,599,184	10,953,483
	=========	=========	==========	=========	=========

NIGERIAN AVIATION HANDLING COMPANY PLC

FIVE-YEAR FINANCIAL SUMMARY-COMPANY

	2016	2015	2014	2013	2012
	N'000	N'000	N'000	N'000	N'000
Profit or loss account:					
Revenue	7,797,899	8,458,700	8,133,456	8,092,837	7,396,094
	========	========	========	========	========
Profit before tax	911,575	905,419	970,200	930,457	852,846
Income tax	(328,906)	(259,000)	(200,900)	(170,849)	(143,166)
	---------------	--------------	--------------	--------------	-------------
Profit after tax	582,669	646,419	769,300	759,608	709,680
	=======	=======	=======	======	======
Financial position					
Non-current assets	7,269,534	10,223,768	9,771,043	8,726,889	8,815,809
Current assets	5,805,248	5,345,894	5,136,735	4,872,295	2,346,710
	----------------	---------------	---------------	---------------	----------------
Total assets	13,074,782	15,569,662	14,907,778	13,599,184	11,162,519
	=========	========	=========	=========	=========
Non-current liabilities	2,192,547	5,061,539	4,956,297	4,971,568	3,033,211
Current liabilities	3,816,607	3,700,320	3,494,785	2,795,385	2,478,148
	---------------	---------------	---------------	---------------	---------------
Total liabilities	6,009,154	8,761,859	8,451,082	7,766,953	5,511,359
	---------------	---------------	---------------	---------------	---------------
Financed by:					
Share capital	812,109	812,109	738,281	738,281	738,281
Share Premium	1,914,758	1,914,758	1,914,758	1,914,758	1,914,758
Dividend reserve	-	-	-	442,968	369,141
Retained earnings	4,338,761	4,080,936	3,803,657	3,138,198	2,628,980
	---------------	---------------	---------------	---------------	---------------
Total equity	7,065,628	6,807,803	6,456,696	6,234,205	5,651,160
	---------------	---------------	---------------	---------------	---------------
Total equity and liabilities	13,074,782	15,569,662	14,907,778	13,994,798	11,162,519
	=========	=========	=========	=========	=========