Nigerian Aviation Handling Company PLC

Financial Statements -- 1st Quarter Ended March 2019

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Consolidated and Separate Statement of Comprehensive Income

For the year ended 31 March 2019

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	Notes	Group		Company	
		Mar 2019	Mar 2018	Mar 2019	Mar 2018
		N'000	₦'000	₦'000	₦'000
Revenue	5	2,629,135	2,188,674	2,277,950	2,082,054
Operating costs	9	(1,926,362)	(1,419,942)	(1,730,169)	(1,397,743)
Gross Profit		702,773	768,731	547,782	684,311
Other Income	6	52,611	70,262	50,402	66,679
Selling & Administrative expenses		(518,878)	(741,547)	(476,560)	(698,551)
Profit from operations		236,506	97,446	121,623	52,439
Finance Income	7	48,730	64,495	48,730	80,268
Finance costs	7	(32,020)	(44,536)	(32,020)	(44,536)
Expected Credit Losses	9b	(25,000)	-	(25,000)	-
Profit before tax		228,215	117,405	113,333	88,171
Income tax expense	8(a)	(44,635)	(19,838)	(38,000)	(19,838)
Profit after tax		183,580	97,566	75,333	68,333
Other comprehensive income		-		-	
Total comprehensive income		183,580	97,566	75,333	68,333
Attributable to:					
Profit attributable to owners of the company		175,017	97,277		
Non-controlling interest	9(a)	8,563	289		
		183,580	97,566	75,333	68,333
Earnings per share					
Basic earnings per share (Kobo)	10	11	6	5	4
Diluted earnings per share (Kobo)	10	11	6	5	4

Consolidated and Separate Statement of Financial Position

As at 31 March 2019

		Group		Company	
	Notes	March 2019	December 2018	March 2019	December 2018
		N'000	₦'000	₦'000	₦'000
Assets					
Property, plant and equipment	11	6,010,546	6,156,696	4,943,729	5,058,515
Intangible assets	12	161,759	166,313	68,137	72,691
Investment property	13	136,514	131,867	136,514	131,867
Investment in subsidiaries	14			39,500	39,500
Deposit for shares	14			1,554,538	1,554,538
Loan to Subsidiary	15			30,000	-
Total non-current assets		6,308,819	6,454,876	6,772,418	6,857,111
Current assets					
Inventories	17	258,394	256,187	258,394	256,187
Trade and other receivables	19	2,166,950	2,017,717	1,912,795	1,933,697
Intercompany receivables	20	-		55,782	144,837
Other non-current assets	17	166,050	40,850	166,050	40,850
Prepayments	18	2,203,226	754,929	1,979,426	557,772
Debt instrument at amortized value	22	123,454	122,390	123,454	122,390
Cash & cash equivalent	21	1,622,714	2,698,921	1,536,925	2,596,708
Total current assets		6,540,788	5,890,994	6,032,826	5,652,441
Total assets		12,849,607	12,345,870	12,805,244	12,509,552
Equity					
Share capital	23	812,109	812,109	812,109	812,109
Share premium	24	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	25	3,902,901	3,727,884	4,113,012	4,037,679
Total equity attributable to equity holders of the Company		6,629,768	6,454,751	6,839,879	6,764,546
Non-controlling interests	26	(122,348)	(130,911)	-	-
Total equity		6,507,420	6,323,840	6,839,879	6,764,546
Liabilities					
Loans and borrowings	27	375,845	439,588	375,845	439,588
Deferred tax liabilities	8C	715,837	715,661	713,674	713,673
Total non-current liabilities		1,091,682	1,155,249	1,089,519	1,153,261
Current tax liabilities	8B	387,435	355,301	366,117	340,618
Trade and other payables	28	4,239,849	4,019,056	4,039,865	3,843,421
Intercompany Receivable Impairment		13,035	13,035	7,465	7,465
Loans & Borrowing	27	439,588	375,845	439,588	375,845
Deferred Income	29	170,598	103,544	22,811	24,394
Total current liabilities		5,250,505	4,866,781	4,875,846	4,591,744
Total liabilities		6,342,187	6,022,030	5,965,365	5,745,006
Total equity and liabilities		12,849,607	12,345,870	12,805,244	12,509,552

This audited Financial statement was approved by the Board of Directors on 25th April 2019, and signed on its behalf:

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

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

Consolidated and Separate Statement of changes in Equity

For the period ended 31-Mar, 2019

	Attributable to equity holders of the Group					
	Share Capital	**Share Premium**	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
	N'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
As at 1 January 2019	**812,109**	**1,914,758**	**3,727,884**	**6,454,751**	**(130,911)**	**6,323,840**
Profit / (Loss) for the period	-	-	175,017	175,017	8,563	**183,580**
Other comprehensive income:						
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-
Prior year deferred tax adjustment	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**175,017**	**175,017**	**8,563**	**183,580**
Transaction with owners recognised directly in equity						
Dividend paid to owners	-	-	-	-	-	-
Issue of shares	-	-	-	-		-
Total transactions with owners of the Company	-	-	-	-	-	-
As at 31 March 2019	**812,109**	**1,914,758**	**3,902,901**	**6,629,768**	**(122,348)**	**6,507,420**

	Attributable to equity holders of the Parent					
	Share Capital	**Share Premium**	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
	N'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
As at 1 January 2019	**812,109**	**1,914,758**	**4,037,679**	**6,764,546**	**-**	**6,764,546**
Profit / (Loss) for the period	-	-	75,333	75,333	-	**75,333**
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	**-**	**-**	**75,333**	**75,333**	**-**	**75,333**
Dividend paid to owners	-	-	-	-	-	-
As at 31 March 2019	**812,109**	**1,914,758**	**4,113,012**	**6,839,879**	**-**	**6,839,879**

Consolidated and Separate Statement of Cash Flows
For the year ended 31-March, 2019

		Group		Company	
	Notes	Mar 2019	Dec 2018	Mar 2019	Dec 2018
		N'000	₦'000	₦'000	₦'000
Cash Flows from Operating Activities					
Profit before Tax		228,215	503,237	113,333	299,755
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation: PPE	9c	193,742	762,389	151,764	547,641
Depreciation: Investment property	9c	2,653	4,131	2,653	4,131
Amortisation of intangible asset	9c	4,554	21,653	4,554	21,653
Cost of assets transferred			-		(845,648)
Depreciation of the transferred asset			-		93,181
Impairment of Short Term Deposit		7,848	(7,848)	7,846	(7,846)
Loss/(gain)on disposal of PPE	6	-	(242)	-	(242)
Expected Credit loss	9b	25,000	50,024	25,000	41,516
Unrealised exchange gain	6	(3,292)	2,326	(3,292)	2,326
Deferred rent released to profit or loss	29	30,436	(200,294)	(38,201)	(141,451)
Finance cost	7	32,020	169,776	32,020	169,776
Finance income	7	(48,730)	(220,679)	(48,730)	(220,679)
		244,231	581,236	133,614	(335,642)
Working Capital adjustments:					
(Increase)/Decrease in inventories		(2,207)	(17,359)	(2,206)	(17,359)
(Increase)/Decrease in trade and other receivables		(174,233)	(499,648)	(20,613)	(512,421)
(Increase)/Decrease in intercompany rceivables		-	(9,354)	89,055	440,370
(Increase)/Decrease in prepayments		(1,448,297)	(67,164)	(1,421,653)	(66,096)
(Decrease)/increase in trade and other payables	28	135,091	693,334	110,742	619,163
(Decrease)/increase in deferred revenue					
		(1,489,646)	99,809	(1,244,676)	463,657
Cash generated from operations		**(1,017,200)**	**1,184,282**	**(997,730)**	**427,770**
Taxation paid	8(b)	(12,500)	(87,983)	(12,500)	(86,690)
Net cash flows from operating activities		**(1,029,700)**	**1,096,299**	**(1,010,230)**	**341,080**
Cash Flows from Investing activities					
Purchase of property, plant and equipment	11	(47,593)	(371,977)	(36,978)	(357,303)
Acquisition of Investment properties	13	(7,300)	(3,857)	(7,300)	(3,857)
Investment in debt Instrument		(125,255)	(124,191)	(125,255)	(124,191)
Liquidation of debt instrument		124,191	200,000	124,191	200,000
Proceeds from disposal of property, plant and equipment			1,081		1,081
Rent received	29	36,618	142,095	36,618	142,095
Outflow from Bond repayment fund	17	-	506,689	-	506,689
Inflow to Bond repayment fund	17	(123,000)	(489,514)	(123,000)	(489,514)
Loan to subsidiary			-	(30,000)	
Loan repaid by subsidiary	16		-	-	779,596
Interest received	7	48,730	220,679	48,730	220,679
Net cash flows (used in)/ from investing activities		**(93,609)**	**81,005**	**(112,994)**	**875,275**
Cash Flows from Financing activities					
Repayment of bond	28	-	(322,799)	-	(322,799)
Unclaimed dividend	26b	85,702	85,702	85,702	85,702
Finance cost	27	(32,020)	(166,715)	(32,020)	(166,715)
Dividends paid	26	-	(406,055)	-	(406,055)
Net cash flows used in financing activities		**53,682**	**(809,867)**	**53,682**	**(809,867)**
Net (decrease)/increase in cash and cash equivalents		(1,069,628)	367,436	(1,069,543)	406,488
Net foreign exchange difference		(6,580)	(39,922)	9,760	(46,344)
Cash at bank and in hand, beginning of year		2,698,922	2,371,408	2,596,708	2,236,564
Cash at bank and in hand, end of Period		**1,622,714**	**2,698,922**	**1,536,925**	**2,596,708**
Cash & cash equivalents at 31 Mar 2019	22	**1,622,714**	**2,698,922**	**1,536,925**	**2,596,708**

Notes to the consolidated and separate financial statements
For the period ended 31-March, 2019

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 March 2019 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).

The financial statements were authorised for issue by the Directors on 26 April 2019.

(b) Functional and presentation currency

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

(c) Basis of measurement

These financial statements are prepared on the modified historical cost basis.

(d) Use of estimates and judgements

Judgments

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

Operating lease commitments – Group as lessor

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

Going concern

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

Estimates and assumptions

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

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

Re-assessment of useful lives and residual values

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

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

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

Impairment of non-financial assets

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

Fair value of financial instruments

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

Taxes

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

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

3. Significant accounting policies

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

(a) Basis of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

• *Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)*

• *Exposure, or rights, to variable returns from its involvement with the investee*

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

• *The contractual arrangement(s) with the other vote holders of the investee*

• *Rights arising from other contractual arrangements*

• *The Group's voting rights and potential voting rights*

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

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

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

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

Transactions eliminated on consolidation

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

Notes to the consolidated and separate financial statements
For the period ended 31-March, 2019

(b) Foreign currency

Foreign currrency transactions

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

(c) Property, plant and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

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

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

Depreciation

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

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

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

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

De-recognition

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

(d) Intangible assets

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

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

Intangible assets acquired separately

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

Notes to the consolidated and separate financial statements
For the period ended 31-March, 2019

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

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

(e) Inventories
Inventories are shown at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is determined on the basis of specific identification of their individual costs.

(f) Financial Instruments
(i) Financial assets
Policy applicable from 1 January 2018

Recognition
Non-derivative financial instruments- recognition and measurement

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Group initially recognizes trade and other receivables on the date of transaction. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of a financial asset measured at fair value through profit or loss is recognized as profit or loss. (b) Classification of non-derivative financial assets
Classification and measurement model of non-derivative financial assets are summarized as follows. The Group classifies financial assets at initial recognition as financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.
(i) Financial assets measured at amortized cost
A financial asset that meets both the following condition is classified as a financial asset measured at amortized cost.
• The financial asset is held within the Group’s business model whose objective is to hold assets in order to collect contractual cash flows.
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.
(ii) Debt instruments measured at fair value through other comprehensive income
A debt instrument that meets both the following condition is classified as a financial asset measured at fair value through other comprehensive income.
• The financial asset is held within the Group’s business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
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Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

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

(iii) Financial assets measured at fair value through profit or loss
When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as "at fair value through profit or loss" and measured at fair value with changes in fair value recognized in profit or loss.
A financial asset measured at fair value through profit or loss is recognized initially at fair value and its transaction cost is recognized in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognized in profit or loss, and presented in "finance income" or "finance cost" in the consolidated statement of income for the reporting period in which it arises. The Group does not designate any debt instrument as at fair value through profit or loss to remove or significantly reduce an accounting mismatch.

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

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

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

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

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

(i) Financial liabilities measured at amortized cost
The Group derecognizes its financial asset if the contractual rights to the cash flows from the investment expire, or the Group transfers substantially all the risks and rewards of ownership of the financial asset. Any interests in transferred financial assets that are created or continuously retained by the Group are recognized as a separate asset or liability.
ii. Non-derivative financial liabilities
(a) Recognition and measurement of financial liabilities
The Group recognizes financial debt when the Group becomes a party to the contractual provisions of the instruments. The measurement of financial debt is explained in (b) Classification of financial liabilities.
(b) Classification of financial liabilities
A financial liability other than those measured at fair value through profit or loss is classified as a financial liability measured at amortized cost. A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. After initial recognition, the financial liability is measured at amortized cost based on the effective interest rate method.
(ii) Financial liabilities measured at fair value through profit or loss
A financial liability measured at fair value through profit or loss is initially measured at fair value. After initial recognition, the financial liability is measured at fair value with subsequent changes recognized as profit or loss.
(c) Derecognition of financial liabilities
The Group derecognizes a financial liability when the financial liability is distinguished, i.e. when the contractual obligation is discharged or cancelled or expired.

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

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

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

(g) Share Capital

Ordinary Shares

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

Dividend on ordinary shares

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

(h) Taxation

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

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

(i) Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired.

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of the asset.

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

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

Non-financial assets

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

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

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

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

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

(j) Non-current assets held for sale

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

(k) Employee benefits

Defined contribution plans

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

Short-term benefits

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

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

(l) Provisions

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

(m) Revenue recognition

Services

Revenue from services rendered is recognised in profit and loss in accordance with IFRS 15. All services are rendered and completion at a point intime as such all revenue is recognised at the time the performance obligation is ended.

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

IFRS 15 - Revenue from Contracts with customers

The appraisal of IFRS 15 would not impact since revenue recognition occur at a point in time when handling services are consumated and the customer is billed.

Changes in accounting policies and disclosures

The Company applied IFRS 15 and IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

(n) Impact of application of IFRS 15 Revenue from Contracts with Customers

In the current year, the Company has applied IFRS 15 Revenue from Contracts with Customers (as amended in April 2016) which is effective for an annual period that begins on or after 1 January 2018. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. IFRS 15 introduced a 5step approach to revenue recognition. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

There are no material quantitative changes based on the adoption of IFRS 15 to the Company's revenue but the qualitative discloses have been updated in line with the application of IFRS 15.

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

(n) 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.

(o) Leased assets

Leases in term of which the Company, as a Lessee, 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.

(p) Lease Payments

Payments made, as a Lessee, 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.

(q) 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.

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

(r) Earnings per share

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

4. Determination of fair values

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

assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of the future cash flows, discounted at the market rates of interest at the reporting date. For trade and other receivables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Other non-derivative financial liabilities

Fair value which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows,

discounted at the market rates of interest at the reporting date. For trade and other creditors with a remaining life of less than one year, the

notional amount is deemed to reflect the fair value.

5. Revenue

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

	Group		Company	
	Mar-19	Mar-18	Mar-19	Mar-18
	₦'000	₦'000	₦'000	₦'000
Revenue from Contracts with Customers:				
Passenger/ Aircraft handling	1,278,258	1,258,016	1,278,258	1,258,016
Leasing	55,091	47,014	-	-
Revenue from Contracts with Customers	**1,333,349**	**1,305,030**	**1,278,258**	**1,258,016**
Other Revenue				
Cargo handling	1,183,509	806,186	887,417	746,580
Equipment rental and maintenance	112,276	77,458	112,276	77,458
Other Revenue	**1,295,785**	**883,644**	**999,692**	**824,038**
Total Revenue	**2,629,135**	**2,188,674**	**2,277,950**	**2,082,054**

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 and Port-harcourt, Kaduna 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 equipments

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

6 Other Income

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Rental income from investment property	38,201	141,451	38,201	141,451
Foreign exchange(loss)/gain - realized	-	-		-
Sundry Income	7,729	122,715	5,520	81,954
Foreign exchange(loss)/gain - unrealized	3,292	(2,326)	3,292	(2,326)
Impairment allowance recovery	-	-	-	-
Profit/(Loss) on disposal of property, plant and ec	-	242	-	242
Invoice Price Variance	3,338		3,338	
Income from training services	50	1,175	50	1,175
	52,611	**263,257**	**50,402**	**222,496**

7 Finance income and expense

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Finance income:				
Interest income on Bond reserve	2,200	12,771	2,200	12,771
Interest income on Treasury bills	1,922	23,071	1,922	23,071
Interest income on fixed & bank deposits	44,608	184,837	44,608	184,837
Accrued Interest income on Loan (Note 16)				65,803
Other Finance Income				-
	48,730	220,679	48,730	286,482
Interest expense on financial liabilities measured at amortised cost:				
Interest on Bond	32,020	162,476	32,020	204,125
Other Bond charges	-	7,300	-	8,941
Finance expense	32,020	169,776	32,020	213,066
Net finance costs	**16,709**	**50,903**	**16,709**	**73,416**

The above finance income and expenses relate to transactions on financial assets and liabilities through Statement of Comprehensive Income.

Interest of 15.75% was charged on existing N2.05 billion bond.

Effective June 2016, The bond was restructured to enable half -yearly liquidation of principal and interest

The full effect of the gains due to restructuring of bond 2 will be felt incrementally up to 2020

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

8. Taxation

(a) The tax charge for the period comprises:

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	N'000	N'000	N'000
Company income tax	44,635	117,765	38,000	104,963
Education tax	-	22,014	-	20,992
Prior Year Underprovision	-	110,529	-	110,529
	44,635	250,308		236,484
Deferred tax	-	56,135		53,564
	44,635	306,443	38,000	290,048

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

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	N'000	N'000	N'000
Balance, beginning of year	355,301	192,976	340,618	190,824
Charge for the year (Note(a))	44,635	250,308	38,000	236,485
Actual Payment made during the year	(12,500)	(87,983)	(12,500)	(86,691)
Balance, end of period	387,436	355,301	366,118	340,618

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

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	N'000	N'000	N'000
At 1 January	715,661	761,385	713,673	760,955
Effect of adoption of IFRS 9		(101,860)	-	(100,846)
At 1 January restated	715,661	659,525	713,673	660,109
Charge for the period/year	176	56,136		53,564
At 31 March	715,837	715,661	713,673	713,673

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

9. Profit from operations

Profit for the year attributable to:

	Group		Company	
	Mar-19	Mar-18	Mar-19	Mar-18
	₦'000	₦'000	₦'000	₦'000
Owners of the company	175,017	97,277	75,333	68,332
Non-controlling interests	8,563	289		-
	183,580	97,566	75,333	68,332

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

	Mar-19	Mar-18	Mar-19	Mar-18
	₦'000	₦'000	₦'000	₦'000
Payroll Costs	932,620	837,500	926,780	834,489
Concession	118,056	103,362	118,056	103,362
Operational travels	5,924	20,689	5,624	20,517
Depreciation/ Amortisation	187,166	166,197	149,824	126,102
Diesel, Electricity, Spares & Rent	184,529	162,875	178,862	155,304
Lease Rental		-	99,929	97,776
Other Operating Expenses	498,067	129,319	251,095	60,193
	1,926,362	1,419,942	1,730,169	1,397,743

(b) Impairment losses on financial assets

	Group		Company	
	Mar-19	Mar-18	Mar-19	Mar-18
	₦'000	₦'000	₦'000	₦'000
Impairment loss (recovery) on trade receivables (See Note 31)				
Impairment losses for the year (See Note 31)	25,000		25,000	
Expected Credit Losses Recognized				
	25,000	-	25,000	-

	Group		Company	
	Mar-19	Mar-18	Mar-19	Mar-18
	₦'000	₦'000	₦'000	₦'000
(c) **Depreciation**				
Depreciation of property, plant and equipment	193,742	181,041	151,764	140,946
Amortisation of intangible assets	4,554	7,528	4,554	7,528
Depreciation of investment property	2,653	1,659	2,653	1,659
	200,949	**190,228**	**158,971**	**150,133**

10. Basic earnings per share

The calculation of basic earnings per share at 31st December, 2018 was based on the earnings attributable to ordinary shareholders of N179.3million (2018: N97.28million) and on ordinary shares of 1,624,218,200 of N0.50 each being the weighted average number of ordinary shares in issue during the year.

	Group	
	Mar-19	Mar-18
	N'000	₦'000
Profit attributable to ordinary shareholders	175,017	97,277
Weighted average number of ordinary shares	1,624,218	1,624,218
Basic EPS	**11**	**6**

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

11. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Computer Equipment	Furniture& Equipment	Capital WIP	Total
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
COMPANY								
COST								
At 1 January 2018	**50,218**	**3,076,603**	**4,883,679**	**432,353**	**1,201,632**	**403,431**	**47,686**	**10,095,602**
Additions	-	39,039	872,426	16,000	266,198	9,288		1,202,951
Disposals	-			(15,000)		(1,960)		(16,960)
At 31 December 2018	**50,218**	**3,115,642**	**5,756,105**	**433,353**	**1,467,830**	**410,760**	**47,686**	**11,281,594**
Additions		23,542	-	6,615	4,210.20	2,611		36,978
Disposals								-
At 31 March 2019	**50,218**	**3,139,184**	**5,756,105**	**439,968**	**1,472,040**	**413,371**	**47,686**	**11,318,572**
Depreciation								
At 1 January 2018	**5,906**	**394,247**	**3,270,659**	**405,102**	**1,147,308**	**375,155**	**-**	**5,598,377**
Charge for the year	1,000	56,432	458,373	32,383	74,342	18,290	-	640,821
Disposal				(14,250)		(1,870)	-	(16,120)
At 31 December 2018	**6,906**	**450,679**	**3,729,032**	**423,235**	**1,221,650**	**391,575**	**-**	**6,223,078**
Charge for the year	250	19,046	103,068	4,108	21,141	4,150		151,764
Disposals								-
At 31 March 2019	**7,156**	**469,726**	**3,832,101**	**427,342**	**1,242,792**	**395,725**	**-**	**6,374,842**
NET BOOK VALUE								
At 31 March 2019	**43,062**	**2,669,458**	**1,924,004**	**12,626**	**229,249**	**17,645**	**47,686**	**4,943,730**
At 31 December 2018	**43,312**	**2,664,963**	**2,027,072**	**10,118**	**246,180**	**19,184**	**47,686**	**5,058,515**

GROUP

COST								
At 1 January 2018	**50,218**	**3,164,718**	**7,327,045**	**446,180**	**1,211,964**	**456,878**	**47,686**	**12,704,689**
Additions	-	39,039	965,326	16,000	267,900	8,354	2,788	1,299,407
Disposals	-		(845,648)	(15,000)	(5,750)	**(1,960)**		(868,358)
At 31 December 2018	**50,218**	**3,203,757**	**7,446,723**	**447,180**	**1,474,114**	**463,272**	**50,474**	**13,135,739**
Additions		23,542	(7,660)	24,890	4,210	2,611		47,593
Disposals								-
At 31 March 2019	**50,218**	**3,227,299**	**7,439,063**	**472,070**	**1,478,324**	**465,883**	**50,474**	**13,183,332**
Depreciation								
At 1 January 2018	**5,906**	**398,567**	**3,797,018**	**413,062**	**1,157,273**	**387,796**	**-**	**6,159,622**
Charge for the year	1,000	57,228	639,392	35,940	77,457	23,455	-	834,473
Disposal	-	-	-	(14,250)	-	(802)	-	(15,052)
At 31 December 2018	**6,906**	**455,795**	**4,436,410**	**434,752**	**1,234,730**	**410,449**	**-**	**6,979,043**
Charge for the year	250	19,046	140,288	8,552	21,263	4,341	-	193,742
Disposals							-	**-**
At 31 March 2019	**7,156**	**474,842**	**4,576,698**	**443,304**	**1,255,994**	**414,791**	**-**	**7,172,785**
NET BOOK VALUE								
At 31 March 2019	**43,062**	**2,752,457**	**2,862,365**	**28,766**	**222,331**	**51,092**	**50,474**	**6,010,547**
At 31 December 2018	**43,312**	**2,747,962**	**3,010,313**	**12,428**	**239,384**	**52,823**	**50,474**	**6,156,695**

Notes to the consolidated and separate financial statements
For the period ended 31-March, 2019

12. Intangible assets

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance at 1 January	440,906	440,906	347,284	347,284
Adjustments		-	-	-
Additions		-		-
Balance as at the end of the period	440,906	440,906	347,284	347,284
Amortisation				
Balance at 1 January	274,593	252,940	274,593	252,940
Amortisation for the year	4,554	21,653	4,554	21,653
Balance as at the end of the period	279,147	274,593	279,147	274,593
Carrying amounts				
Balance as at the end of the period	161,759	166,313	68,137	72,691

13. Investment property

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance at 1 January	161,199	157,342	161,199	157,342
Additions	7,300	3,857	7,300	3,857
Disposals				
Balance as at the end of the period	168,499	161,199	168,499	161,199
Depreciation				
Balance at 1 January	29,332	25,202	29,332	25,202
Charge for the year	2,653	4,130	2,653	4,130
Disposals		-		-
Balance as at the end of the period	31,985	29,332	31,985	29,332
Carrying amounts				
Balance as at the end of the period	136,514	131,867	136,514	131,867

TThe fair value of the investment property as at 31st December 2018 was N625.7million (2017: N1.686 Billion). Total revenue from the investment property as at 31st March, 2019 is N38.2 million (2018: N65.6million).The fair value of the properties are based on valuation performed by Jide Taiwo & Co., accredited independent valuers. Jide Taiwo & Co is a renowned specialist in valuing these types of investment properties.

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

13 Investment property - Contd

	Company	
	Mar-19	Dec-18
	₦'000	₦'000
Rental Income derived from Investment Properties	38,201	141,451
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	(12,871)	(57,605)
	25,331	83,846
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	**25,331**	**83,846**

14. Investment in subsidiaries

	Company	
	Dec-18	Dec-17
	₦'000	₦'000
Shares in subsidiaries:		
Nahco FTZ Limited	10,000	10,000
Nahco Energy and Power Limited	25,500	25,500
Mainland Cargo Options Ltd	4,000	4,000
Investment in Subsidiaries	**39,500**	**39,500**
Deposit for Shares in NFZ	1,554,538	1,554,538
Balance as at the end of the period	**1,594,038**	**1,633,538**

Non-Controlling Interests in the Subsidiary companies are as shown:
NAHCO Energy and Power Limited - Non-Controlling Interest is s 37%
Mainland Cargo Options Limited - Non Controlling Interest is 22% (NAHCO Plc holds 40% directly and 27.8% indirectly)

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

(I) NFZ Limited

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

(II) NAHCO Energy, Power & Infrastructure Limited

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

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

14. Investment in subsidiaries - continued

(III) Mainland Cargo Options Limited

The Company holds 4 million ordinary shares in the subsidiary representing 40% of the issued share capital of N10 Million. The Company is into cargo logistics and started operations in 2015. In 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. The documentation with regulatory authorities has commenced, and is expected to be completed within 2019.

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

15. Loan to Subsidiary

	Company	
	Mar-19	Dec-18
	N'000	₦'000
As at 1st January	-	713,793
Impact of IFRS 9 adjustment		1,002
Restatd balance as at 1/1/2018		714,795
Accrued Interest	-	65,803
Payment	-	(779,596)
Reversal of prior year adjustment		(1,002)
Additions	30,000	-
Balance as at the end of the period	30,000	-
Disclosed as follows;		
Due within 12 months	30,000	-
Due after 12 months	-	-
	30,000	-

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 fully nilled off in 2018. A fresh loan of N30million was advanced to NAHCO FTZ Limited in March 2019.

16 Other non-current assets

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
Other non- current assets comprise of :				
	₦'000	₦'000	₦'000	₦'000
Bond Repayment Fund-				
Balance at 1 January	40,850	11,079	40,850	11,079
Interest earned on Fund in 2018	2,200	12,771	2,200	12,771
Additions during the year	123,000	506,689	123,000	506,689
	166,050	530,539	166,050	530,539
Interest distributions	-	(166,715)	-	(166,715)
Periodic liquidation on Principal	-	(322,974)	-	(322,974)
Carrying amounts	166,050	40,850	166,050	40,850
Balance at the end of the period				

The balance on this account represents the amount available in the Debt Service Reserve Account for the eventual repayment of the principal amount of the Bond. An amount is set aside every month toward settlement of bi annual interests and repayment of principal to bond holders. The amount accrued as at 31st March, 2019 is held by the Trustees. (See note 27)

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

17. Inventories

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Spare parts	205,086	206,399	205,086	206,399
General & Medical	37,619	36,627	37,619	36,627
Diesel & Lub.	15,688	13,161	15,688	13,161
	258,394	**256,186**	**258,394**	**256,186**

Spare parts consumed during the period N54.16 million (2018: N million) is recognised in Statement of Comprehensive Income.

18. Prepayments

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Prepayments comprise:				
Deposit for property & equipment	1,323,228	648,626	1,147,003	471,901
Prepaid insurance	79,552	21,113	78,622	20,184
Prepaid Stock	233,702	54,118	233,702	54,118
Others	566,744	31,072	520,099	11,569
	2,203,226	**754,928**	**1,979,426**	**557,772**

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

19. Trade and other receivables

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Trade and other receivables comprise:				
Trade receivables (Note 30)	1,317,057	1,223,809	1,073,603	1,150,380
With holding tax receivable	539,699	472,389	536,644	469,445
Other receivables	310,194	321,519	302,547	313,872
	2,166,950	**2,017,717**	**1,912,795**	**1,933,697**

Trade receivables are invoices on ground handling services issued to customers net of taxes and impairment on the debts. The group's credit policy allows a 30 day credit period for all its customers. Other receivables consist of advances to staff for routine services to be carried out. This is to be retired

20 Intercompany receivables

	Company	
	Mar-19	Dec-18
	₦'000	₦'000
NFZ	-	-
NAHCO Energy, Power and Infrastructure Ltd	420,760	420,760
Mainland Cargo Options	41,086	41,076
	461,846	461,836

Intercompany payables	Company	
	Mar-19	Dec-18
	₦'000	₦'000
NFZ	406,063	(316,999)
	406,063	(316,999)
Net Intercompany Receivable/(Payables) `	**55,782**	**144,837**

Intercompany (payable)/receivables are payments received by Plc/made on behalf of the subsidiaries. The subsidiaries have been informed and the company expects to get value from the subsidiaries.
Intercompany (payable)/receivables are eliminated in the consolidated accounts of the Group.

Notes to the consolidated and separate financial statements
For the period ended 31-March, 2019

21 Cash and cash equivalents

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	₦'000	₦'000	₦'000
Bank and cash balances	336,784	827,958	311,617	760,204
Domicilliary accounts	533,779	429,526	513,218	405,465
Fixed deposits	760,335	1,449,285	719,936	1,438,885
	1,630,898	**2,706,769**	**1,544,772**	**2,604,554**
Impairment of Short Term Deposits	(8,184)	(7,848)	(7,846)	(7,846)
	1,622,714	**2,698,921**	**1,536,925**	**2,596,708**

Included in short term deposits is the investment placed for unclaimed dividend as at 31 December 2018. Short term deposits are made for varying period between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

22 Debt instrument at amortised cost

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	₦'000	₦'000	₦'000
Treasury bills	125,255	124,191	125,255	124,191
Impairment	(1,801)	(1,801)	(1,801)	(1,801)
Federal Govt Treasury bills	**123,454**	**122,390**	**123,454**	**122,390**

23 Share Capital

		Group		Company	
		Sep-18	Dec-17	Sep-18	Dec-17
		N'000	₦'000	₦'000	₦'000
(a)	Authorised ordinary shares of 50 kobo each	1,500,000	1,500,000	1,500,000	1,500,000
(b)	Called-up and fully paid ordinary share capital: ordinary shares of 50 kobo each	812,109	812,109	812,109	812,109

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

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

24
Share premium

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	N'000	N'000	N'000
Balance at the end of the period	1,914,758	1,914,758	1,914,758	1,914,758

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

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

25 Retained earnings

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	N'000	N'000	N'000
Balance, beginning of year	3,727,884	4,171,551	4,037,679	4,669,335
Dividend paid	-	(406,055)	-	(406,055)
Effect of Implementation of New Standards	-	(237,237)	-	(235,307)
Profit for the year	175,017	199,625	75,333	9,706
	3,902,901	**3,727,884**	**4,113,012**	**4,037,679**
	3,902,901	0		

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

26 Non controlling interests

	Group	
	Mar-18	Dec-18
	N'000	N'000
Balance at the beginning of the year	(130,911)	(127,645)
Share of prior year restatement		(435)
Share of current profit/(losses)	8,563	(2,831)
Balance at the end of the period	(122,348)	(130,911)

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

27 Loans and borrowings

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	N'000	N'000	N'000	N'000
Unsecured at amortised cost:				
Balance at the beginning	815,433	1,135,172	815,433	1,135,172
Addition	-	-	-	-
Interest expense	-	169,950	-	169,950
Part Liquidation	-	(322,974)	-	(322,974)
Interest paid	-	(166,715)	-	(166,715)
Closing Balance	815,433	815,433	815,433	815,433
Current	439,588	439,588	439,588	439,588
Non-current	375,845	375,845	375,845	375,845
	815,433	815,433	815,433	815,433

The existing bond was restructured to enable principal liquidation on a semi annual basis over the remaining years of the bond. A premium of 0.5% was agreed as premium increasing the interest on tranche 2 to 15.75%. Also, tranche 1 bond was completely paid off and all liabilities discharged accordingly.

The Trustees, (First Trustees Limited), maintain an account into which monthly remittances by the Company are made towards offsetting the biannual interest payments as well as repayment of the capital sum. The Company's cashflow is therefore not expected to be affected on maturity as repayment would have been fully provided for.

Notes to the consolidated and separate financial statements

For the period ended 31-March, 2019

28 Trade and other payables

Trade and other payables comprise:

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Trade payables	1,389,638	1,010,870	1,296,807	945,867
Other payables	2,850,211	3,008,186	2,743,058	2,897,555
	4,239,849	**4,019,056**	**4,039,865**	**3,843,422**

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

28a Other payables

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Bond Interest Provisions	37,584	5,563	37,584	5,563
Management Support Agreement fee	-	-	-	-
Amount due to Government agencies	416,971	394,360	323,446	306,751
Concession fee; FAAN rental & service charge	739,268	672,399	739,268	672,399
Directors Retirement	15,000	238,927	15,000	238,927
Industrial Training Fund	194,133	185,095	194,133	185,094
Staff Participatory Scheme	30,656	30,931	30,656	30,931
Performance Bonus	212,092	274,574	209,084	271,566
Unclaimed Dividend	566,261	566,606	566,261	566,606
Other Accruals	638,245	639,731	627,626	619,717
	2,850,211	**3,008,186**	**2,743,058**	**2,897,555**

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

29 Deferred income/revenue

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Balance as at 1 January	103,544	161,743	24,394	25,038
Rent received during the year	36,618	142,095	36,618	142,095
Amount released to profit or loss	30,436	(200,294)	(38,201)	(142,739)
Balance as at 31 December	**170,598**	**103,544**	**22,811**	**24,394**
Non-current	**-**	**-**	**-**	**-**
Current				
Long term deferred income	-	-	-	-
	170,598	**103,544**	**22,811**	**24,394**

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

30 *Impairment losses*

The aging of trade receivables at the reporting date was:

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Current (1- 30 days)	838,989	793,042	838,989	793,482
31-60 days	105,251	220,047	105,251	113,774
60-180 days	489,649	332,836	239,880	358,925
More than 180 days	1,031,828	1,001,545	1,031,828	1,001,546
	2,465,718	**2,347,470**	**2,215,949**	**2,267,727**
Impairment	(1,148,659)	(1,123,661)	(1,142,346)	(1,117,346)
	1,317,059	**1,223,809**	**1,073,603**	**1,150,380**

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

	Group		Company	
	Mar-19	Dec-18	Mar-19	Dec-18
	₦'000	₦'000	₦'000	₦'000
Balance at 1 January	1,123,659	756,790	1,117,346	756,790
Re-statement due to IFRS 9 adoption	-	321,869	-	319,022
Impairment recovered	-		-	-
Allowance for expected credit losses	25,000	45,000	25,000	41,534
Balance at the end of the period	**1,148,659**	**1,123,659**	**1,142,346**	**1,117,346**

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

Notes to the consolidated and separate financial statements

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31 Liquidity Risk

Exposure to liquidity risk

	Mar-19	Dec-18
	N'000	₦'000
Cash and cash equivalents (Note 22)	1,622,714	2,698,921
Debt instrument at amortized cost (Note 22a)	123,454	122,390
Trade and other receivables (Note 20)	2,465,718	2,017,717
Total financial assets	4,211,886	4,839,028
Trade & Other payables (Note 28)	4,039,865	4,019,056
Loans and borrowings (Note 27)	815,433	815,433
Total financial liabilities	4,855,298	4,834,489
Net cover	(643,412)	4,539

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

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