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2021
ANNUAL REPORT & ACCOUNTS

nahco aviance

NIGERIAN AVIATION HANDLING COMPANY PLC

RC: 30954

Member of IATA IGHC asa airport services association TIACA THE INTERNATIONAL AIR CARGO ASSOCIATION

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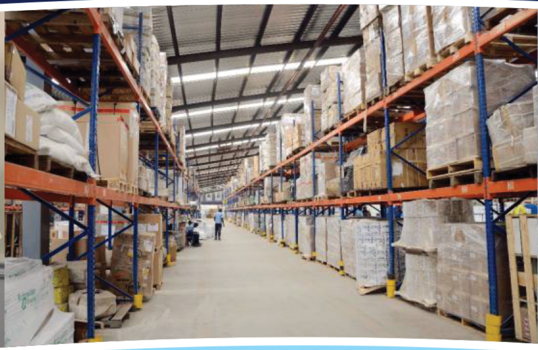
www.nahcoaviance.com



NIGERIAN AVIATION HANDLING COMPANY PLC
LAGOS, NIGERIA

CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS
AND
OTHER NATIONAL DISCLOSURES
FOR THE YEAR ENDED 31 DECEMBER 2021

NIGERIAN AVIATION HANDLING COMPANY PLC
CONSOLIDATED AND SEPARATE AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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CORPORATE INFORMATION

Directors

Chairman	Dr. Seinde Oladapo Fadeni
Group Managing Director/CEO	Mrs. Olatokunbo Adenike Fagbemi (Retired December 2021) Mr. Indranil Gupta (Appointed December 2021)
Executive Directors	Mr. Olumuyiwa Augustus Olumekun (Retired February 2022) Dr. Olusola Peter Obabori (Appointed May, 2022) Prince Saheed Lasisi
Non-Executive Directors	Engr. Mohammed Gambo Umar, mni,FNSE Mr. Taofeeq Oluwatoyin Salman Engr. Solagbade Olukayode Alabi Mr. Tajudeen Moyosola Shobayo Prof. Enyinna Ugwuchi Okpara (Appointed July, 2021)
Independent Directors	Mrs. Abimbola Adunola Adebakin Sir Sunday Nnamdi Nwosu, KSS Mr. Akinwumi Godson Fanimokun
Company Secretary	Dikko & Mahmoud (Solicitors & Advocates) No 10 Seguela Street, Wuse 2 F.C.T. Abuja
Registered Office	Nahco Aviance House Murtala Muhammed International Airport Ikeja, Lagos
Auditors	Ernst & Young 10th & 13th Floors, UBA House 57 Marina, Lagos
Bankers	Access Bank Plc Citibank Nigeria Ltd Ecobank Nigeria Limited Fidelity Bank Plc First Bank of Nigeria Ltd Greenwhich Merchant Bank Limited Globus Bank Limited Guaranty Trust Holdings Company Polaris Bank Limited Stanbic IBTC Bank Plc Union 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

FINANCIAL HIGHLIGHTS

	GROUP			COMPANY		
	DEC 2021 =N=000	DEC 2020 =N=000	CHANGE %	DEC 2021 =N=000	DEC 2020 =N=000	CHANGE %
Revenue	10,232,674	7,126,121	44	9,658,964	6,779,005	42
Profit / (Loss) before tax	924,855	361,279	156	742,824	329,642	125
Expected Credit losses	(2,724)	(37,905)	(93)	33,456	1,884	1,676
Income tax credit / (expense)	(153,240)	(59,148)	159	(163,094)	(37,820)	331
Profit After Tax	771,615	302,131	155	579,730	291,822	99
Non-Controlling Interest	28,426	10,627	167	-	-	-
Total comprehensive income attributable to owners of the Company:	743,189	291,504	155	579,730	291,822	99
Total Equity	7,018,437	6,449,849	9	6,976,118	6,599,415	6
Dividend Proposed	665,930	203,027	-	665,930	203,027	-
Per 50 kobo Ordinary Share Data:						
Basic Earnings	46 kobo	18 kobo		36 kobo	18 kobo	
Diluted Earnings	46 kobo	18 kobo		36 kobo	18 kobo	
Dividend Proposed	41 kobo	12.5 kobo		41 kobo	12.5 kobo	
Net Assets	432 kobo	397 kobo		429 kobo	406 kobo	
Stock Exchange Quotation as at: 31st December	N3.74K	N2.30K				
Number of Shareholders	71,574	71,459				
Number of Staff	1,547	1,525		1,529	1,508	

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 41st Annual General Meeting (AGM) of Nigerian Aviation Handling Company Plc (nahco aviance) ("the Company") will hold at Providence Hotel, Mantis Oba Akinjobi Crescent Ikeja GRA, Lagos on Friday, 29th July, 2022 at 11.00 am to transact the following businesses:

ORDINARY BUSINESS

1. To lay the Audited Financial Statements for the year ended 31st December 2021 together with the Report of the Directors, External Auditors and Audit Committee thereon.

2. To declare a dividend recommended by the Board of Directors of the Company in respect of the financial year ended 31st December 2021.

3. To elect the following Directors:
   a. Mr. Indranil Gupta (Group Managing Director)
   b. Dr. Peter Olusola Obabori (Executive Director)

4. To re-elect the following Directors, who being eligible, offer themselves for re-election:
   a. Engr. Mohammed Gambo Umar, mni, FNSE (Non-Executive Director)
   b. Mr. Akinwumi Godson Fanimokun (Independent Non-Executive Director)
   c. Mr. Tajudeen Moyosola Shobayo (Non-Executive Director)

5. To authorize the Directors to fix the remuneration of the External Auditors.

6. To disclose the remuneration of managers of the Company.

7. To elect members of the Audit Committee.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as ordinary resolutions:

8. To approve the remuneration of the Directors of the Company for the year ending December 31, 2022.

9. That pursuant to Rule 20.8 of The Nigerian Exchange Issuers Rule, that the general mandate given to the Company to procure goods and services and enter into such incidental transactions necessary for its day-to-day operations from its related parties or interested persons on normal commercial terms, be and is hereby renewed.'

10. To consider and, if thought fit, to pass the following as ordinary resolutions:
    a. That the sum of N162,421,875 be transferred from the Company's retained earnings or other reserve accounts to the share capital account. The amount thus transferred shall represent the value of 324,843,750 ordinary shares of fifty Kobo (N0.50K) each as fully paid up and distributed amongst members whose names are registered in the Company's Register of Members at the close of business on Friday 15th July 2022 in the proportion of one (1) new share of 50 kobo each for every five (5) existing shares of 50 kobo each, held by them. The shares distributed shall rank pari-pasu with the existing shares in all respect and will be treated for all purposes as capital and not as income.

    b. That the Directors be and are hereby authorized to enter into and execute agreements, deeds, notices or any other documents and to perform all acts and to do all such other things necessary for or incidental to giving effect to Resolution 10a above, including without limitation, appointing such professional parties, consultants and advisers and complying with the directives of the regulatory authorities without being required to seek any further consent or approval of the members or otherwise to the end and intent.

c. That the members shall be deemed to have given approval thereto expressly by the authority of the above resolutions.

d. That where the issuance of the Bonus Shares results in a fraction of a share being held, the Company be authorised to round that fraction down to the nearest whole share or zero, as the Directors may deem fit.

11. To consider and if thought fit pass the following resolutions as ordinary resolutions:
    a. That the Directors be and are hereby authorised to take all steps necessary to comply with the requirements of the Companies and Allied Matters Act 2020 and the Companies Regulations 2021 as they relate to unissued shares of the Company, including the cancellation of the 1,050,937,500 (one billion, fifty million, nine hundred and thirty-seven thousand, five hundred) unissued ordinary shares of the Company; and

    b. That the Directors be and are hereby authorised to enter and execute agreements, deeds, notices or any other documents, and to perform all acts and to do all such other things necessary for or incidental to giving effect to Resolution 11(a) above, including without limitation, appointing such professional parties, consultants and advisers and complying with the directives of the regulatory authorities.

12. To consider and if thought fit pass the following resolutions as special resolutions:
    a. That pursuant to resolutions 11 above, the Directors be and are hereby authorised to alter Clause 6 of the Memorandum of Association of the Company to read: 'The share capital of the Company is N974,531,250 divided into 1,949,062,500 ordinary shares of 50k (fifty kobo) each, with power to increase the capital and to divide the capital for the time being into several classes of shares, and to attach thereto any preferential, deferred, qualified or special rights, privileges or conditions.'

    b. That the Directors be and are hereby authorised to enter and execute agreements, deeds, notices or any other documents and to perform all acts and to do all such other things necessary for or incidental to giving effect to Resolution 12(a) above, including without limitation, appointing such professional parties, consultants and advisers and complying with the directives of the regulatory authorities.

Attendance By Proxy
In view of the directives on physical distancing and the restriction on maximum number of people at every gathering due to the COVID-19 pandemic, the meeting will hold by Proxy in accordance with section 254 of the Companies and Allied Matters Act 2020 and as approved by the Corporate Affairs Commission. Consequently, members are required to appoint a proxy of their choice from the list of the proposed proxies to represent them at the meeting:
1. Dr. Seinde Oladapo Fadeni (Chairman)
2. Sir Sunday Nnamdi Nwosu, KSS
3. Mrs. Adebisi Oluwayemisi Bakare

A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her place. A proxy need not be a member of the Company. A proxy form is enclosed in the Annual Report. For the instrument of proxy to be valid for the purposes of this meeting, it must be duly completed, duly stamped and must be deposited at the office of the Registrar, CardinalStone Registrars Limited, 358, Herbert Macaulay way, by St. Dominic Catholic Church, Sabo, Yaba, Lagos or by email to registrars@cardinalstone.com, not less than 48 hours before the time fixed for the meeting. The cost of stamping the proxy forms will be borne by the Company.

Dividend
If the dividend recommended by the Directors is approved, dividend will be paid on Friday, 29th July 2022 to shareholders whose names appear in the Register of Members at the close of business on Friday 15th July 2022.

Bonus Issue
If the bonus issue recommended by the Directors is approved, bonus shares will be issued in the ratio of one (1) new share for every five (5) existing shares held by shareholders whose names appear in the Register of Members at the close of business on Friday 15th July 2022 subject to the approval of the appropriate regulatory authorities.

E-Dividend

Notice is hereby given to all shareholders to open bank accounts, stockbroking accounts and CSCS accounts for the purpose of dividend payment in line with the Securities and Exchange Commission (SEC) directives. Detachable application form for the e-dividend is attached to the Annual Report to enable all shareholders furnish particulars of their bank accounts to the Registrar as soon as possible. The e-dividend form is also available on the website of our Registrar www.cardinalstoneregistars.com.

Closure of Register of Members

The Register of Members and Transfer Books of the Company will be closed from Monday 18th July 2022 to Wednesday 20th July 2022 (both dates inclusive) to enable the Registrar to update its records.

Nominations for the Audit Committee

In accordance with section 404(6) of the Companies and Allied Matters Act 2020 any member may nominate a shareholder as a member of the Audit Committee by giving notice in writing of such nomination to the Company Secretary at least 21 days before the Annual General Meeting. The Act provides that members of the Audit Committee must have financial literacy. Therefore, nominations should be accompanied by a copy of the nominee's curriculum vitae.

Unclaimed Dividend

Shareholders are hereby informed that a number of dividend warrants have been returned to the Registrars as "unclaimed". Any member affected by this notice is advised to contact the company's Registrars, CardinalStone Registrars Limited located at 358, Herbert Macaulay Way, Yaba, Lagos Tel: +23417120090, Fax: +234 (1)7100444, info@cardinalstoneregistrars.com. The list of unclaimed dividends can be accessed via the Company's website: www.nahcoaviance.com or the Registrar's website www.cardinalstone.com

Right to Ask Questions

It is the right of shareholders to ask questions not only at the Annual General Meeting but also in writing prior to the meeting. Such questions should be addressed to the Company Secretary and submitted at the registered office of the Company not later than one week before the Annual General Meeting.

Directors' Profle

The profles of the Directors, including those for election and re-election, are enclosed in the Annual Report and can be assessed on the Company's website: www.nahcoaviance.com

Electronic Annual Report

The electronic version of the Annual Report will be available online for viewing and download from the Company's website: www.nahcoaviance.com. Shareholders who have provided their email addresses to the Registrar will receive the electronic version of the Annual Report via email. Furthermore, shareholders who are interested in receiving the electronic version of the Annual Report should request for it via email to registrars@cardinalstone.com.

Live Broadcast of Proceedings

The 41st Annual General Meeting will be streamed live to enable shareholders and other relevant stakeholders to watch the proceedings. The link to the live streaming of the proceedings is https://youtu.be/jX_CcU91cTM and will be made available on the Company's website: www.nahcoaviance.com

BY ORDER OF THE BOARD
Dated this 1st July, 2022.

Bello A. Abdullahi
FRC/2013/NBA/00000002301
Dikko & Mahmoud Solicitors
COMPANY SECRETARY
Nahco aviance House,
Murtala Mohammed International Airport,
Ikeja – Lagos, Nigeria

NAHCO...Service Excellence

PROFILE

The Nigerian Aviation Handling Company Plc (nahco aviance), is a major player in the ground handling service sector of the nation's air transport industry, with presence in all the major Nigerian airports.

Founded in December 1979, as Nigerian Aviation Handling Company Limited by the Federal Government, through the Federal Airports Authority of Nigeria (FAAN), Air France, British Airways, Sabena and Lufthansa, it has however become a publicly quoted company through privatization, and thus renamed Nigerian Aviation Handling Company Plc.

NAHCO Plc has since grown into a multi-billion Naira company with diversified investments in energy, logistic and development of a Free Trade Zone Company and currently has three institutional investors holding more than 5% of the total shares of the company as of February 2022. These major investors are Godsmart Nigeria Limited – 26.95%; Awhua Resources Limited – 7.13% and White Cowries Industries Limited – 9.17%.

CERTIFICATIONS

Our ground breaking and leadership position in the nation aviation ground handling business has been unparalleled as the Company has continually shown the way in this critical service sector through its many first achievements, such as:

- First Nigerian ground handling company to enter a strategic global alliance through its membership of aviance, an alliance of 10 reputable airport service providers operating from 112 airport in 17 countries;
- The first ground handling company in West Africa to join The International Air Cargo Association (TIACA) for the operation of air cargo industry and world trade;
- The first ground handling company in West Africa to receive ISAGO certification, the aviation industry's highest safety honours, that is the IATA safety Audit for Ground Operations;
- The first ground handling company in Nigeria and indeed the whole of West Africa to attain the EU Regulated Agent Third Country (RA3) certification; and
- A two-time winner of the prestigious Nigerian Stock Exchange (NSE) Presidential Merit Award for the Aviation Sector. The very rigorous processes leading to these various certifications and re-certifications of the Company business have set it up as the benchmark for local aviation service quality.

AWARDS

Our long list of awards includes, but not limited to: NIGAV Awards, 2021, 2019, and 2018 for Best Airport Ground Handling Company; the Most Resilient Aviation Company, 2021 Air Transport Award; African Corporate Leadership Excellence Prize, 2018; and the International Trophy for Quality, 2018 awarded by Global Trade Club, Madrid, Spain.

Other awards are the Most Innovative Ground Handling Company of the year, 2018 by Association of Foreign Airlines Representatives in Nigeria (AFARN), the Aviation Handling Company of the Year, 2017, awarded by Nigeria Transport Awards; The Best Air Cargo Handling Company, 2017 awarded by Sub- Saharan Enterprise, the Global Risk Award 2016 in UK where we won the Excellence in the Face of Adversity Award

SUBSIDIARIES

Our business growth strategy led to the establishment of three subsidiary businesses:

1. NAHCO Free Trade Zone Limited (NFZ), with a license issued by the Federal Government of Nigeria to drive the free trade zone initiative of the government at the airports. NFZ is the first airport-based free trade zone in the country;

2. Mainland Cargo Options Limited (MCO), a subsidiary company established towards meeting the objective of harnessing the opportunities of the Air, Land & Sea logistics; and

3. Nahco Energy Power and Infrastructure Limited (EPI), established to tap into the opportunities in the power sector.

DIVIDEND PAYMENTS

The Company which is the first publicly -listed ground handling company on the floor of the Nigeria Stock Exchange has a history of regular dividend payments to its valued shareholders.

NAHCO PEOPLE

NAHCO Plc has more than 1,900 staff in its employment. Our staff members are well trained to provide excellent services to our numerous clients in aircraft and cargo handling, passenger services and indeed, in all services provided by the company within the aviation industry.

Our Board is made up of high-profile Nigerians that have distinguished themselves and made positive marks in their various fields of endeavors. These distinguished Nigerians are led by Dr. Seinde Oladapo Fadeni, (Chairman); Engr. Mohammed Gambo Umar, (Vice Chairman); Mr. Indranil Gupta (GMD/CEO), Prince. Saheed Lasisi (Executive Director) and Dr. Olusola Peter Obabori (Executive Director). Others are Mr. Akinwumi Godson Fanimokun, Sir Sunday Nwosu, Mr. Taofeek Oluwatoyin Salman and Mr. Tajudeen Moyosola Shobayo. Also on the Board are Engr. Solagbade Olukayode Alabi, Mrs. Abimbola Adunola Adebakin and Prof Enyinna Ugwuchi Okpara.

CHAIRMAN'S STATEMENT

Dr. Seinde Oladapo Fadeni
Group Chairman

"Notwithstanding the macroeconomic challenges, NAHCO Plc was able to grow its revenue, improve on cost management, and continued to position itself as the market leader by designing innovative solutions to meet the varying needs of its customers"

CHAIRMAN'S STATEMENT

Distinguished Shareholders, Members of the Board of Directors, Ladies and Gentlemen, welcome to the 41st Annual General Meeting of NAHCO Plc. I wish to start by congratulating you all for making it through the pandemic with the worse behind us and we can all meet once again face to face.

Global View of the Nigerian Economy

The Nigerian economy was fragile in 2021, after exiting recession in the last quarter of 2020. According to the National Bureau of Statistics, the GDP posted a strong recovery of 3.98 percent in the fourth quarter of 2021 — but lower than the 4.03 percent in the third quarter. Despite the positive outlook and increase in crude oil prices, Foreign Exchange (FX) flows remained challenged. As such, the Nigeria's foreign currency market was a topical subject in the year. Notwithstanding the macroeconomic challenges, NAHCO Plc was able to grow its revenue, improve on cost management, and continued to position itself as the market leader by designing innovative solutions to meet the varying needs of its customers. Today, we have a strong balance sheet, a best-in-class suite of products, and a team of dedicated professionals to deliver consistent results to our shareholders.

Our focus in 2021 was on responsible and inclusive growth, which allowed us to be a source of stability for our customers during the challenging times. Closing the second year of unprecedented disruption, low interest rates and market volatility, NAHCO Plc earned N10.2billion in revenue with improved capital base, growth in customers' deposits, liquidity, and improved gearing ratios.

The impact of lockdowns and labour gaps on global supply disruptions continues to persist and has led to supply-driven inflation, across the United States and some other developed economies. For developing economies, including Sub-Saharan Africa, inflationary trends are driven largely by increases in food prices and rising prices of imports, due to exchange rate depreciation. Fiscal tightening measures are expected during the year, if these inflationary trends persist, possibly ending years of monetary easing globally. As we enter 2022, the events in Ukraine, will only increase pressure on inflation and commodities, with a consequent impact on living standards.

However, in commodity-based emerging and developing countries, including those in Sub-Saharan Africa, improving demand for commodities is fueling recovery. Multilateral efforts to improve access to vaccines in Sub-Saharan Africa are progressing and these are expected to reduce the economic vulnerabilities of the region during the year especially with the re-opening of borders, removal of travel restrictions and more relax travel requirements.

Developments in Global Aviation

The aviation industry has been severely impacted by Covid-19 pandemic, with airlines experiencing overwhelming disruption and a shocking downturn. In 2021, the industry dealt with the fallout of Covid-19 through the implementation of several changes. A sharp decline in air travel led to a revaluation of safety measures and reassurance for passengers. Due to the implementation of these measures, the aviation industry has seen a gradual recovery as well as the return of passenger confidence. Overall, further progress is expected in 2022 with the introduction of new technologies to allow for these adjustments. According to the latest IATA numbers, global airlines have projected a considerable reduction in industry losses in 2022. They expect international travel to rise steadily and reach almost half of 2019 numbers.

The pandemic has put an intentional focus on health and safety, and in turn on hygiene requirements across several facets of the aviation sector. Widespread adoption of environmental health standards due to the virus are here to stay. As a forward -thinking Company, NAHCO Plc pioneered the introduction of aircraft disinfection service in Nigeria, and we have sustained it thus far.

Our Performance

In the year under review, the Group turnover stood at N10.2bln, representing an improvement of 44% over the preceding year. Our fortune improved compared to the results of the preceding year, despite the effects of Covid-19. For 2021, the Profit Before Tax is N924.9mln while Profit After Tax stands at N771.6mln representing an improvement of 155% over 2020 performance. With this, we are positive that the Company is on its way to full recovery by the end of the current financial year.

Outlook for 2022

With the pronouncement of the new safety threshold by NCAA which stated the minimum price for services, we hope that issue of price war and unhealthy competition would be a thing of the past as competition will now be based on service and not price. Management has been mandated not to rest on its oars and ensure the Company performs even better in 2022.

We approved more than N1.5bln for equipment purchase in the year under review, and we expect a huge return on those investments in the current year and beyond.

We may however be constrained by global economic and political crisis especially the escalating crisis in Europe. Any escalation in the crisis will surely have a ripple effect on aviation, and by extension, our Company.

Proposed Dividend

Dear Shareholders, it is our belief that the Board and Management, with your support will grow our revenues, improve our profit margins, and set aside a robust reserve as we move into the coming year and continually meet your expectations. We are therefore, proposing a gross dividend of 41kobo per ordinary share of 50kobo each amounting to N665mln, to the shareholders for approval. We are also proposing 1 bonus share for every 5 shares held by the existing shareholders subject to the approval at the Annual General Meeting.

Appointment of a new GMD/CEO

Within the year 2021, the Board appointed a new Group Managing Director/Chief Executive Officer for the Company, in the person of Mr. Indranil Gupta. This followed the expiration of the contract of the former Group Managing Director/Chief Executive Officer, Mrs. Olatokunbo Fagbemi.

Mr. Indranil Gupta is a seasoned aviator, who has managed various aviation businesses in India, the Middle East, Southeast Asia, and Africa. He is a former Managing Director of GSEZ-Airports, Vice President-Airport Operations & Project Delivery at GVK Airports 360 Indonesia, and Director-General – AEROPORT De Libreville, Gabon. He also worked at Delhi/Mumbai/Kolkata/Bangalore International Airports as Airport Manager & Senior Airport Manager and subsequently at Bangalore International Airport as General Manager - Head of Operations.
We are confident that he will bring into play his vast experience and add value to the Company.

Conclusion

Looking into the future, I am excited by the potential I see in the NAHCO's horizon. I see the immense opportunities opened by our strategic investments and relationships. Working with my colleagues on the board and our outstanding executive team, and counting on your overwhelming support, I firmly believe that as we unleash the full potential of our group, we will create new pathways for our long-term growth and attain greater heights.

Dr. Seinde Oladapo Fadeni

GMD/CEO's Statement

Indranil Gupta

Group Managing Director/CEO

Dear Shareholders, I am delighted to present our full-year report. As this is my maiden annual general meeting with our Company, the Nigerian Aviation Handling Company Plc as the Group Managing Director/Chief Executive Officer.

I wish to use this opportunity to firstly thank the entire Board and Shareholders for the privilege to be part of this great and wonderful company, NAHCO Plc.

Since my assumption of duty in December 2021, I have taken time to appreciate the enormous achievement of my predecessor; I must confess especially in sustaining the Company within the last year, with the Covid-19 pandemic and its effects on the aviation industry and the economy at large. The harmony and oneness within the organization is commendable, and I plan to continue to build on it, and together, we will take the Company further.

We still have some ways to go if we wish to cement our place as the industry leader in ground handling as we take any challenge to our leadership position in the aviation sector with all the seriousness it deserves. Therefore, we have been engaging with the Board of Directors on how best to consolidate our position in the industry and have started re-appraising our operations to achieve better efficiency. The Group Executive Committee has consistently met to drive down the new direction, and we are beginning to see attitudinal changes in our people. We believe that with your unflinching support, we are sure to deliver on this mandate as the future is very bright.

Our operations

The effect of Covid-19 pandemic was a major concern for the year under review, as most businesses began their recovering journey. We were lucky to have bounced back despite the nature of our business- many thanks to you the Shareholders, the Board of Directors, Management and Staff. The Group recorded a profit after tax of N771.6mln, as against N302.1mln for the same period in 2020, representing 155% growth.

Group revenue grew by 44 % to N10.2bln, while Gross profit was N3.3bln. However, our operating cost and administrative expenses went up by 43% and 8% respectively due to the pandemic induced costs. As a major stakeholder, we have retained all certifications expected of us and added new clients to our portfolio, United Airlines and Green Africa. We have succeeded in consolidating our hold on the existing clients by getting all contracts renewed. We went a step further by increasing our presence in the cargo handling aspect. With the doggedness of our Marketing and Business Development team, we succeeded in recovering a chunk of the cargo handling for Ethiopian Airlines in Lagos, Abuja, and Enugu

Nigerian Aviation Industry Updates

The proposed new terminal at the Lagos airport is expected to boost our operations. It will come with improved airport facility, which has been a major handicap to our operations. In the past, we have had to contend with ageing infrastructure prone to regular breakdown, leading to prolonged turnaround time. Passenger and cargo volumes are also expected to increase, and these will impact us positively.

The World Aviation

The financial performance of the global airline industry will continue to show improvement in the coming year especially with the increase in covid-19 vaccination numbers, opening of borders, and the relaxing of travel restrictions and requirements. According to the latest industry outlook from the International Air Transport Association (IATA), the aviation sector is expected to further trim its losses against rising demand for both passenger traffic and air cargo.

In the year ahead, IATA predicts:

- The global aviation industry will post a net loss of $11.6 billion, compared to a $51.8 billion loss in 2021.
- Demand is expected to rise to 61 percent of pre-pandemic levels in 2022, versus 40 percent in 2021.
- Total passenger numbers are expected to grow to 3.4 billion in 2022, compared to 2.3 billion in 2021.
- Robust demand for air cargo is expected to continue with 2021 demand at 7.9 percent above 2019 levels, growing to 13.2 percent above 2019 levels for 2022.

According to IATA, cargo was the star performer in 2021 as it was in 2020. The Nigerian government is reviewing various restrictions, and we're pleased to see that some if not all are being relaxed or removed. That's a positive indication for the industry.

However, IATA warned that rising jet fuel prices, higher labor costs and labor shortages are putting pressure on airlines' operating costs. Average jet fuel prices, the single biggest element in an airline's cost base; have strengthened to about $101, significantly higher than IATA's earlier price forecast of $77.8 per barrel.

Clearly, this is something that airlines will be closely monitoring, given what we've seen in the last couple of years, it is unlikely that most airlines will have significant hedging in place to protect them against this increase in the oil price. IATA noted that the rise in jet fuel prices will be a factor in determining airfares through the year. While higher oil prices represent a "financial challenge" to airlines, they are also indicative of stronger economic conditions, which are typically beneficial to the industry.

The industry has experienced an exodus of skilled workers. Although some left their jobs permanently due to airlines forced restructuring, government-imposed travel restrictions and uncertainties, while other employees have been temporarily unable to work because of the Covid-19 infection.

Also, the escalating Russia-Ukraine crisis is expected to have a significant effect on the industry, as most will have to avoid the airspace in that region.

Our Future is Assured

NAHCO Plc having been built on a solid foundation has proven with recent events that it can withstand any challenge that might come our way. With the strategies put in place, coupled with the support of our dear Shareholders, we have no doubt that a brighter future awaits the Company. We will continue to motivate our staff and ensure industry harmony. We will make NAHCO Plc a one-stop-shop for aviation transportation and logistics, and we hope to build on the successes we have recorded so far. We acknowledge that ultimately, the key success factors in this regard do not lie solely with us. The strength of our external reserves, the strength of the naira in comparison with other currencies, the inflation rates, the forthcoming elections, and the Ukraine-Russia crisis will determine in no small measure our ability to achieve our defined goals.

Appreciation

Distinguished Shareholders, I thank you most sincerely once again for the opportunity you have given me to serve as the Group Managing Director/Chief Executive Officer of this Company. Rest assured, my team and I would work closely with you to uplift the fortune of NAHCO Plc and make it a truly global brand while ensuring service excellence.

Many thanks.

Indranil Gupta

DIRECTORS' PROFILE

Dr. Seinde Oladapo Fadeni
Chairman

Dr Seinde Oladapo Fadeni is an astute businessman with experience spanning three decades with interests in strategic sectors of the economy including oil & gas, real estate, hospitality, maritime and real sectors.

Dr. Fadeni chairs the Board of Directors of NAHCO Plc. He is also the founder and serving Managing Director/Chief Executive Officer of GMT Energy Resources Limited, a private indigenous multi-billion-naira company incorporated in Nigeria with offices in Lagos and Port-Harcourt with an overriding national and global outlook. He sits on the boards of a number of companies, including GMT Energy Resources (a marine logistics company), MCI FZE Yard Development Limited (a joint venture between MCI FZE and Samsung Heavy Industries Nigeria where Total Upstream Nigeria Limited and her partners integrated their EGINA FPSO's 6 topside modules); Badagry Ship-repair Maintenance Engineering Consortium (BSMEC), Godsmart Limited (a company with investment interests in strategic sectors of the economy, including Aviation and Real Estate), Elect & Chosen Limited (a reputable interior design and furniture supply company) and Sanctum Hospitalities Nigeria Limited.

Known for his incredible skill in perceiving business needs and creating solutions to address the needs. Dr. Fadeni has a network of high-value contacts in international and domestic business communities.

Dr. Fadeni started his educational journey in Mayflower Primary and Secondary School, Ikenne. He had his higher education at the University of Lagos where he bagged a Bachelor of Science Degree in Biology. He also has an Honorary Doctorate Degree in Entrepreneurship from Joseph Ayo Babalola University. He has attended various courses all over the world, including the Owners/President Management (OPM) Program organized by Harvard University, Leading from the Chair at INSEAD and High-Performance Board at IMD. He is also an Associate Member of the Nigeria Institute of Management (AMNIM), Nigerian Institute of Credit Management and Port Harcourt Chamber of Commerce and Industry. He has received several awards from professional and business bodies in recognition of his contributions to nation-building.

The Chairman is God-fearing, loving, and caring family man with strong commitment and devotion to philanthropic activities, the flagship of which is The Chris Alice Foundation that gives scholarship and other forms of support to students who scored up to 3.5CGPA and above, widows, senior citizens, and orphans.

Engr. Mohammed Gambo Umar, MNI, Fnse

Vice Chairman

Engr. Mohmmed Gambo Umar, mni, is the Vice Chairman of the Nigerian Aviation Handling Company Plc Board of Directors. He has had a long career spanning many sectors of the Nigerian economy for over three decades.

Engr. Umar holds a master's degree in Finance and Banking from Morgan State University, Baltimore, Maryland, USA as well as a Bachelor of Science degree in Industrial Engineering from Kansas State University, Manhattan, Kansas, USA. During his career, he attended many executive development programmes, in among others, Lagos Business School, Stanford University, California, USA, National University of Singapore and University of Witwatersrand, South Africa. He has a vast and varied boardroom experience, having served on the boards/governing councils of twenty-four companies and organizations, eight of them as the Chairman.

Engr. Umar is a Fellow of the Nigerian Society of Engineers (NSE), Member, National Institute for Policy, and Strategic Studies (NIPSS), mni; Member, Council for the Regulation of Engineering in Nigeria (COREN), Member, Institute of Directors (IoD), Fellow, Nigerian Institute of Management (NIM) and Fellow, Institute of Management Consultants (IMC), amongst others.

He has also held various leadership roles as National President of the NIPSS Alumni Association, (AANI), Chairman, Bauchi State Privatization Committee, and Monitor-General, Senior Executive Course (SEC) 23, NIPSS, Kuru, 2001, amongst others.

He is a recipient of many awards some of which are National Hero of Democracy Award (2017); NIPSS Director General's "Outstanding Leadership Qualities" award for Senior Executive Course (2001) and Development in Nigeria Merit Award (DINMA) (2003).

Mrs Olatokunbo Adenike Fagbemi

Group Managing Director/CEO (Retired December 2021)

Mrs. Olatokunbo A. Fagbemi is an Airports Council International (ACI) and International Civil Aviation Organization (ICAO) certified International Airport Professional (IAP). She is one of the few African women to have achieved the highly rigorous standards for expertise in the field of airport management.

In addition to the IAP Certification, Mrs Olatokunbo A. Fagbemi holds a master's degree in Business Administration from IESE ("Instituto de Estudios Superiores de la Empresa") University of Nevara, Spain. She also holds a bachelor's degree in Pharmacy from the University of Ibadan. Tokunbo also attended Maryhill Convent School Ibadan, Queens School Ibadan, Harvard University USA, and Cranfield University UK.

She holds Certificates in Air Transport Management, Airport Commercial Revenue Development, from the Cranfield University, UK. She holds a Certificate in Leaders in Development from Kennedy School of Government (KSG), Harvard University. She also holds a Certificate in Infrastructure in a Market Economy from KSG, Harvard University. She is an IATA certified Leasing Professional, an expert in Infrastructure Provision and Public-Private Partnerships. She has facilitated several training programmes for Airport Council International (ACI), several Airlines, Ground Handling Companies, and the Nigerian Civil Aviation Authority (NCAA). Tokunbo is an alumnus of the Lagos Business School.

Tokunbo has had the privilege of working and training in various aspects of Airport Management, Passenger Handling, Ramp Handling and Cargo Handling at; Dubai International Airport, Changi Airport Singapore, Murtala Muhammed International Airport Ikeja and Dallas Fort Worth Airport amongst others. Tokunbo has hands-on Consulting, Business Advisory and Financing expertise haven worked with several Ground Handling companies, Civil Aviation Authority in Nigeria, Gambia, and Sierra Leone.

Tokunbo has attended several International Civil Aviation Organization (ICAO), International Air Transport Association (IATA), IATA Ground Handling Council (IGHC), Airports Council International (ACI) courses and seminars.

She is an Executive Director in Spring fountain Infrastructure Limited and a Director of African Aircraft Leasing Company (AALC). Tokunbo is married with three children. Her hobbies include Reading, Aerobics, and Travelling.

Indranil Gupta

Group Managing Director/CEO (Appointed December 2021)

Indranil Gupta has about 26 years' experience in managing various aviation businesses in India, the Middle East, Southeast Asia, and Africa.

He is a former Managing Director of GSEZ-Airports, Vice President-Airport Operations & Project Delivery at GVK Airports 360 Indonesia, and Director-General – AEROPORT De Libreville, Gabon. He also worked at Delhi/Mumbai/Kolkata/Bangalore International Airports as Airport Manager & Senior Airport Manager and subsequently at Bangalore International Airport as General Manager – Head of Operations. Indranil holds a BSc and an MBA degree (Marketing & Foreign Trade). He joined NAHCO Plc as GMD/CEO in December 2021.

Prince Saheed Lasisi

Group Executive Director, Business Development and Commercial

Prince Saheed Lasisi is an alumnus of the prestigious University of Lagos, where he graduated with second class honor, (upper division) in accounting and obtained his Master of Science Degree also in accounting from the same Institution. He is a Fellow of the Institute Chartered Accountants of Nigeria.

He has over two decades work experience spanning a broad spectrum of the Nigerian economy. He was the Group General Manager; Business Development & Strategic Planning in SIFAX GROUP (a Multinational company into Maritime, Aviation Ground Handling, Haulage & Logistics, Oil & Gas, Marine Services, Hospitality and Bonded Terminals Cargo Services). He has been in investment banking, internal and external audit, management consultancy insurance, corporate finance, supply chain management, capital market and private equity, aviation and maritime.

He had worked in Perpetual Assurance Company Ltd (now part of Standard Alliance Insurance Plc) as Financial Controller, Truebond Investments and Capital Limited as Group Head, Internal Control. He served as a director in various quoted and unquoted companies among which are Nigerian Wire and Cable Plc, Guardian Health Care Ltd, Truebond Capital and Asset Management Ltd, Truebond Microfinance Bank Limited, Western Properties and Leisure Ltd, Golden Tophedge Investments Ltd among others.

He was a member of The Transition Management Team of Skyway Aviation Handling Company Limited (SAHCOL) in charge of Finance, Internal Audit, Admin & Procurement when the Federal Government of Nigeria handed off SAHCOL to the new investor, SIFAX GROUP in December 2009.

He is actively involved in various educational and training programmes and has facilitated many seminars and trainings both in Nigeria and Europe, the latest of which is Bank risk Analysis for Regulators in the United Kingdom and Nigeria.

Mr. Olumuyiwa Augustus Olumekun

Group Executive Director, Business & Corporate Services (Retired February 2022)

Olumuyiwa Olumekun is a graduate of the University of Ibadan and alumnus of the Lagos Business School having attended the Chief Executive Programme and the Advanced Management Programme at different times. He also attended IESE Business School in Spain and Harvard.

He is a member of the Institute of Directors (IoD) Olumekun was Executive Director at Red Star Express, one of the frontline courier firms in Nigeria. At Red Star, he provided support for the CEO as well as directed Sales, Marketing, Operations, Strategy, Business Development, Customer Service, and Information Technology at different times.

He also served as the Acting Managing Director and was a member of the Board of Directors for 10 years. He also managed clients which included banks, FMCGs, oil and gas, aviation, logistics and public sector in his illustrious career. He has, for about 3 decades, mentored, coached, and advised executives and managers as they focused on business building and career development.

Dr. Olusola Peter Obabori

Group Executive Director, Business & Corporate Services (Appointed May 2022)

Dr. Olusola Peter Obabori, holds a Bachelor of Science degree in Accounting, a Master of Business Administration (MBA), a Master of Philosophy (MPhil) and a doctorate degree in Business Administration, all from the prestigious Obafemi Awolowo University, Ile-Ife, Nigeria.

He is an alumnus of numerous advanced management and leadership programmes from world-class institutions, including -The School of Business Leadership of the University of South Africa, McGill Executive Institute, Canada; Lagos Business School, Nigeria; Harvard Business School, USA; Haas Business School of the University of California, Berkeley, USA; The University of Westminster, United Kingdom and FedEx Purple Academy, Belgium where he excelled as the Purple Star Award Winner in 2006. Olusola is also a Member of the Institute of Directors (IOD) of Nigeria; Fellow of the National Institute of Marketing of Nigeria (Chartered); Fellow of the Institute of Business Development, and Fellow of the Institute of Logistics and Supply Chain Management.

He sits on the Councils of the Nigerian American Chamber of Commerce, the Nigerian-British Chamber of Commerce and some not-for- profit organizations. Before joining NAHCO Plc in May 2022, as the Group Executive Director, Business & Corporate Services, Olusola had served as the Group Managing Director/CEO of Red Star Express Plc.

Mr Akinwumi Godson Fanimokun
Independent Non-Executive Director

Mr. Akinwumi Godson Fanimokun has a distinguished career and wealth of experience, spanning over 35 years in effecting and implementing change, driving strategic positioning, and demonstrating diverse competencies across systems and subsidiary leadership.

Mr. Fanimokun served with First Bank of Nigeria Limited from 1980 – 2015, where he headed various units amongst which are the Manager – Banking, First Bank of Nigeria, UK, Project Manager - New Banking Application (Finacle 7) and Group Head - Public Sector, Abuja till 2008.

In 2009, Mr. Fanimokun served as Managing Director and Chief Executive Officer (CEO) of First Pension Custodian. In 2013 he was appointed Group Executive Technology and Services of First Bank of Nigeria Limited. A position he held until his retirement in 2015.

Mr. Fanimokun holds a BSc Economics from the University of Ife (now Obafemi Awolowo University), Ile-Ife, 1979, and a master's degree in Business Administration (MBA), from Henley Management College, Henley-on-Thames, United Kingdom.

In his quest for demonstrating diverse competencies across systems, he has attended several distinguished professional trainings at Harvard Business School in 2007 and 2009, Chicago Booth Business School in 2008, London Business School (UK) in 2010, Fund Forum International Conference in 2011 and 2012 and Global Custody Forum in 2010 and 2012. More recently in 2019, he also attended the Institute of Directors' International Masterclass on Corporate Governance and Values-Based Leadership in London, UK.

He was an Executive Committee member of the Chartered Institute of Bankers Nigeria (Lagos Branch) from 2008 to 2011 and Chairman Bankers' Night Committee from 2009 to 2011.

Mr. Fanimokun is a Fellow of the Chartered Institute of Bankers Nigeria, and he is happily married to Abiola Fanimokun with children.

Sir Sunday Nnamdi Nwosu
Independent Non-Executive Director

SIR SUNDAY NNAMDI NWOSU, KSS, GCOA, FIoD, is the Founder and the first National Coordinator of the Independent Shareholders Association of Nigeria (ISAN), a Shareholders' association with branches all over Nigeria and beyond. He is now the Coordinator Emeritus.

A consummate boardroom guru and Capital Market expert, Sir Nwosu has a special bias for accounting and financial reporting with over 50 years hands on experience in the Capital Market activities and Corporate Governance matters.
He is a Fellow of The Institute of Directors and a member of the Securities and Exchange Commission's Rule/ Legislation Committee. He has served in several public and private institutions in areas relating to auditing, accounting, and good corporate governance. He is a prominent name among the heavyweight shareholders in Nigeria, having been a Capital Market enthusiast and activist for more than 50 years. The Association he formed, (ISAN) was formally inaugurated in 1998 as one of his many efforts at ensuring that publicly quoted and/or listed companies play according to the rules.

He has attended several and various local and international courses on Capital Market, Corporate Governance Matters and Finance/Auditing, including the Euromoney UK - Course on Effective Risk Management Oversight for Board Members and Executives. Sir Nwosu is also an alumnus of The Harvard Business School. With several years of private work experience, he is a major player in the Nigerian Capital Market. Sir Nwosu presently sits on the Board of many companies and Committees including as the Chairman of RT Briscoe Plc, Member – Board of Directors of MRS Oil Nigeria Plc, Kajola Integrated Investments Plc, Nigerian Aviation Handling Company Plc (nahco aviance), Capital Market Development Company Limited (a subsidiary of NGX), Chairman of Obuchi Limited and Sunnaco Nigeria Limited. He is also on-Board Committees and Statutory Audit Committees of several quoted and unquoted companies in Nigeria including Julius Berger Nigeria Plc, Friesland Campina Wamco Plc, Seplat Energy Plc, and FirstTrust Mortgage Bank Plc.

He was also a member, Securities and Exchange Commission's Rules/Legislation Committee and member, Federal Government of Nigeria Commission on Vision 2020. He is a very charitable individual by nature. He is the National President of The Boys' Brigade, Nigeria, and a recipient of awards too many to mention for his philanthropic works. These include The Boys' Brigade, Nigeria Award for Meritorious Services and Merit Award, Nigerian Red Cross Society, Lagos. He was honoured with one of the highest Orders in Catholic Church by the Pope as the Knight of St. Sylvester the Great.

Sir Nwosu is married with children and grandchildren.

Mrs Abimbola Adunola Adebakin
Independent Non-Executive Director

Mrs. Abimbola Adunola Adebakin has over 30 years of professional experience spanning Stockbroking, Banking, Management Consulting and Training. She is a versatile trainer and proficient management consultant who has led consulting teams across a broad spectrum of assignments including strategy development, human resources management, organizational development, and change management.
She has developed and delivered many training topics covering strategic management, management and leadership development, corporate governance, entrepreneurship, and workplace productivity.

She is a certified IFC trainer on Corporate Governance and Entrepreneurship and certified by Central Bank of Nigeria (CBN) to train microfinance bank operators. She left as head of FITC Consulting to set up EPS Performance Improvement Limited, a firm focused on partnering with businesses and individuals to improve their performance. She also manages a business incubation centre where she offers business coaching and advisory services to start-ups and small businesses.

Adebakin graduated from the University of Benin with a Second Class Upper in Biochemistry. She has a master's degree from the University of Ibadan and MBA from the University of Lagos. She is a member of the Learning and Development Network in Nigeria where she serves as the national Treasurer and a member of the Association for Talent Development (ATD) in USA. She is passionate about working with teenagers and young people to guide them in attaining their potentials. She also serves on the Board of Solid Foundation Ministry an NGO committed to working with teenagers and youths.

Mr. Taofeeq Oluwatoyin Salman

Non-Executive Director

Mr. Taofeeq Oluwatoyin Salman is the Managing Partner of Canary Legal ("the Firm") a corporate and commercial law firm. He also leads the firm's corporate governance, company secretarial and legal advisory practice group. He advises clients locally and internationally on Foreign Investment, Project Finance, and Public-Private Partnerships (PPP).

He obtained an LLB (Hons) from the University of Ilorin, Nigeria, Barrister at Law from the Nigerian Law School and LLM from the University of East Anglia, Norwich, England (UK). He is a member of the Nigerian Bar Association, International Bar Association, Chartered Institute of Arbitrators (UK) and Institute of Directors (MIoD).

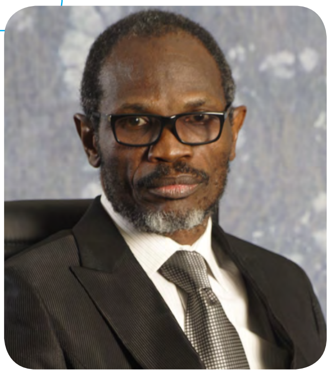
He has worked as a litigator in one of Nigeria's leading litigation firms. He served as the Head of Legal and Compliance Department and subsequently rose to become the Managing Director of Rosehill Group Limited (a diversified investment Holding Company with interests in Infrastructure, Aviation, Real Estate, Hospitality and Construction). He is also a Non-Executive Director on the Board of Asokoro Island Holding Limited, Deluxe Luxury Suites in Kaduna, and Barlow and Barrow International Limited.

Engr Solagbade Alabi

Non-Executive Director

Engr. Solagbade Alabi holds a Bachelor of Science degree in Mechanical Engineering from the University of Lagos and is a Fellow of the Nigerian Society of Engineers. He has attended various professional courses in Business Transformation, Effective Management/Leadership, Petroleum Economics, Project Controls and Management Project Financing amongst others; at various institutes, including Wharton, INSEAD and Harvard.

He has made a lot of impact in public and private sectors (oil & gas) and education at management and board levels. He was at various times, the MD/CEO of Port Harcourt Refinery Co. Ltd (2007) and Group General Manager, NNPC, (2009). He is presently the Chairman of Batel Litwin Global Services Ltd and XPLOIL Nigeria Limited and a Non – Executive Director at AIMADEN Nigeria Limited. He is married with children and enjoys reading and listening to music.



Mr Tajudeen Shobayo

Non-Executive Director

Mr. Tajudeen Shobayo is an alumnus of University of Liverpool, UK, and a Fellow of the Institute of Chartered Accountant of Nigeria (ICAN). During his illustrious career, he has attended several professional courses in Nigeria, Netherlands, UK and United States in Economics and Valuation, Opportunity/Project Management, Contract Management, Capital Budgeting, Fraud and Risk Management and Strategic Cost Leadership.

He had also had training in Advanced Negotiations, Risk and Decision Analysis, Deal Implementation, relationship Management, Non-Operated Ventures Management and Health/Safety/Environment and Leadership. He is a result-driven, efficiency–conscious finance–cum–commercial professional with extensive experience in corporate finance, decision analysis, strategy and planning, opportunity identification and maturation, negotiation, and stakeholder management with demonstrated capacity to add value towards corporate objectives.

His 40 years of work experience spans public and private sectors in oil & gas, education, real estate, and agriculture at management and board levels. He is married with children. His hobbies are reading and football.

Professor Enyinna Okpara

Non-Executive Director

Enyinna Okpara is a Professor of Accounting and Finance and an Associate of the Institute of Chartered Accountants of Nigeria (ICAN). He has the following academic qualifications: PhD (Accounting), M.Sc. (Accounting), MBA (Finance), B.Sc. (Accounting), PGD (Financial Management), HND (Accounting) and NCE (Business Education). Professor Okpara is currently the Dean of College of Social and Management Sciences, Wellspring University, Benin City. He had previously worked as Accounts/Logistics Manager in Dangote Group.

He is an experienced auditor and tax consultant having worked with Akintola Williams Delliotte. Professor Okpara served in the Nigerian Army as a commissioned officer rising to the rank of Captain before he voluntarily disengaged from active military service in 1999.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are pleased to present to the members of NAHCO Group their report together with the Audited Financial Statements for the year ended 31st December 2021, which is in compliance with the International Financial Reporting Standards (IFRS) and other national disclosures.

Principal activities

The principal activities of the Group are the provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

Review of business

The review of the Group'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 2021 N'000	Group 2020 N'000	Company 2021 N'000	Company 2020 N'000
Revenue	10,232,674	7,126,121	9,658,964	6,779,005
	======	======	======	======
Profit before taxation	924,855	361,279	742,824	329,642
Taxation for the year	(153,240)	(59,148)	(163,094)	(37,820)
	--------------	--------------	--------------	--------------
Profit for the year	771,615	302,131	579,730	291,822
Non-controlling interest	(28,426)	(10,627)	-	-
	--------------	--------------	-------------	-------------
Retained profit for the year attributable to equity holders of the parent	743,189	291,504	579.730	291,822
	=======	=======	=======	=======

Dividend

The directors will propose a gross dividend of 41 kobo per ordinary share of 50 kobo each amounting to N665 million, to the members at the Annual General Meeting for approval (2020; N203 million).

In addition, the Directors recommended a script issues of one (1) for every five (5) shares held by the existing shareholders as fully paid-up shares amounting to N162 million (Gross of withholding tax) to be capitalised from retained earnings. These financial statements do not reflect these dividend payable and script issue.

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors

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

Chairman	Dr. Seinde Oladapo Fadeni
Group Managing Director/CEO	Mrs. Olatokunbo Adenike Fagbemi (Retired 19th December 2021)
	Mr. Indranil Gupta (Appointed 20th December 2021)
Executive Directors	Mr. Olumuyiwa Augustus Olumekun (Retired 10th February 2022)
	Dr. Olusola Peter Obabori (Appointed 12th May 2022)
	Prince Saheed Lasisi
Non-Executive Directors	Engr. Mohammed Gambo Umar, mni,FNSE
	Mr. Taofeeq Oluwatoyin Salman
	Engr. Solagbade Olukayode Alabi
	Mr. Tajudeen Moyosola Shobayo
	Prof. Enyinna Ugwuchi Okpara (Appointed 30th July 2021)
Independent Directors	Mrs. Abimbola Adunola Adebakin
	Sir Sunday Nnamdi Nwosu, KSS
	Mr. Akinwumi Godson Fanimokun

Director's election

After the Annual General Meeting, the Board appointed Mr. Indranil Gupta as the Group Managing Director/Chief Executive Officer with effect from 20th December 2021 to replace Mrs. Olatokunbo Adenike Fagbemi whose tenure expired on 19th December 2021. Also, Dr. Olusola Peter Obabori has been appointed as the Executive Director, Business and Corporate Services to replace Mr. Olumuyiwa Augustus Olumekun whose tenure expired on 10th February, 2022. Mr. Gupta and Dr. Obabori would be proposed for election as Directors at this Annual General Meeting. Their profiles are contained in the 2021 Annual Report and can also be accessed on the Company's website: www.nahcoaviance.com.

Re-election of Directors

In accordance with Article 107 – 109 of the Company's Articles of Association and provisions of the Companies and Allied Matters Act, 2020, Engr. Mohammed Gambo Umar, mni,FNSE, Mr. Akinwumi Godson Fanimokun and Mr. Tajudeen Moyosola Shobayo are the Directors retiring by rotation and being eligible offer themselves for re-election. The profiles of the Directors for re-election are contained in the 2021 Annual Report and can also be accessed on the Company's website: www.nahcoaviance.com.

Directors' interest

The direct and indirect interests of the Directors in the issued share capital of the Company as recorded in the Register of Directors' shareholdings and/ or notified by them for the purpose of Sections 303 of the Companies and Allied Matters Act, 2020 were as follows:

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

Directors' Shareholding:

S/NO.	NAMES OF DIRECTORS	HOLDINGS AS AT 31 DECEMBER 2021	% HOLDINGS	HOLDING AS AT 31 DECEMBER 2020	% HOLDINGS
1.	Dr. Seinde Oladapo Fadeni - Direct - Indirect (Godsmart Nigeria Limited	- 437,731,927	- 26.95	- 437,731,927	- 26.95
2.	Engr. Mohammed Gambo Umar, mni, FNSE	-	-	-	-
3.	Mrs. Olatokunbo Adenike Fagbemi	66,000	0.004	66,000	0.004
4.	Sir Sunday Nnamdi Nwosu	135,715	0.009	135,715	0.009
5.	Mr. Akinwumi Godson Fanimokun	5,026,610	0.310	2,000,000	0.124
6.	Mr. Taofeeq Oluwatoyin Salman	-	-	-	-
7.	Engr. Solagbade Olukayode Alabi - Direct - Indirect - (White Cowry Industries Limited	- 148,869,885	- 9.166	- 148,869,885	- 9.166
8.	Mr. Tajudeen Moyosola Shobayo	1,138,276	0.070	1,138,276	0.070
9.	Prof. Enyinna Ugwuchi Okpara-Direct -Indirect- (Awhua Resources Limited)	- 115,787,906	- 7.129	- 115,787,906	- 7.129
10.	Mr. Olumuyiwa Augustus Olumekun	-	-	-	-
11.	Mrs. Abimbola Adunola Adebakin	-	-	-	-
12.	Prince Saheed Lasisi	3,006,185	0.185	3,006,185	0.185
	Grand total:	711,762,504	43.823	708,735,894	43.637

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

None of the Directors notified the Group for the purposes of Companies and Allied Matters Act, 2020 compliance to the effect that they were members or held some specified interests which could be regarded as interested in any contracts with which the Group was involved during the year under review.

Related party

In line with the Group's related party policy, transactions are carried out with related parties at arm's length.

Shareholding

The Registrars have advised that the called-up and fully paid shares of the Company as at 31 December 2021 were beneficially held as follows:

Share Range Analysis:

PAID UP SHARE CAPITAL:						1,624,218,750
RANGE			HOLDERS	% HOLDERS	HOLDINGS	% HOLDINGS
1	-	10,000	62,530	87.36	128,358,524	7.90
10,001	-	100,000	7,809	10.91	235,508,872	14.50
100,001	-	1,000,000	1,128	1.58	294,693,946	18.14
1,000,001	-	10,000,000	100	0.14	228,290,690	14.06
10,000,001	-	100,000,000	4	0.01	151,639,675	9.34
100,000,001	-	1,624,218,750	3	0.00	585,727,043	36.06
GRAND-TOTAL:			71,574	100.00	1,624,218,750	100.00

1. Godsmart Nigeria Limited is represented on the Board by Dr. Seinde Oladapo Fadeni, Engr Muhammed Gambo Umar, Mr. Taofeeq Oluwatoyin Salman and Mr. Tajudeen Moyosola Shobayo.
2. White Cowry Industries Limited is represented by Engr. Solagbade Olukayode Alabi.
3. Awhua Resources Limited is represented by Prof. Enyinna Ugwuchi Okpara

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

LIST OF SHAREHOLDERS WITH 5% AND ABOVE HOLDINGS AS AT DECEMBER 31, 2021				
PAID UP SHARE CAPITAL:			1,624,218,750	
S/NO.	NAMES	HOLDINGS	% HOLDINGS	
1	GODSMART LIMITED ALL ACCOUNTS 6 SUNBO JIBOWU STREET OFF RIBADU ROAD 6 SUNBO JIBOWU STREET OFF RIBADU ROAD 6 SU NBO JIBOWU STREET OFF RIBADU ROAD LAGOS,	437,731,927	26.95	
2	WHITE COWRY INDUSTRIES LIMITED ALL ACCOUNTS 6 SUMBO JIBOWU STREET OFF RIBADU ROAD SW IKOYI, LAGOS	148,869,885	9.17	
3	AWHUA RESOURCES LIMITED ALL ACCOUNTS P O BOX 4240 APAPA LAGOS STATE, LAGOS	115,787,906	7.13	
GRAND-TOTAL:		702,389,718	43.24	

There are no other Shareholder(s) asides from the three substancial Shareholders above that holds 5% and above of the Company's issued and fully paid shares.

Acquisition of own share

The Group did not acquire any of its shares during the year ended 31 December 2021 (2020; Nil)

Audit Committee

Pursuant to Section 404 of the Companies and Allied Matters Act 2020, the Group has an audit committee comprising of Directors and Shareholders. The report of the Audit Committee is included in the financial statements of the 2021 Annual Report and their function is laid out in Section 404 of the Companies and Allied Matters

REPORT OF THE DIRECTORS – Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

SHAREHOLDERS' INFORMATION

Share Capital History

kDATE	AUTHORIZED SHARE CAPITAL INCREASED FROM (N)	AUTHORIZED SHARE CAPITAL INCREASED TO (N)	ISSUED SHARE CAPITAL INCREASED FROM (N)	ISSUED SHARE CAPITAL INCREASED TO (N)	CONSIDERATION
Friday, 25 May 2007	150,000,000	500,000,000	-	150,000,000	INITIAL SHARE CAPITAL
Friday, 25 May 2007		500,000,000	150,000,000	375,000,000	BONUS (3:2)
Friday, 25 May 2007	-	500,000,000	375,000,000	392,500,000	RIGHTS
Sunday, 27 May 2007	-	500,000,000	392,500,000	437,500,000	PUBLIC OFFER
Friday, 9 May 2008	-	500,000,000	437,500,000	492,187,500	BONUS (1:8)
Friday, 21 August 2009	500,000,000	750,000,000	-	492,187,500	-
Friday, 21 August 2009	-	-	492,187,500	615,234,375	BONUS (1:4)
Thursday, 7 June 2012	-	-	615,234,375	738,281,250	BONUS (1:5)
Thursday, 11 June 2015	750,000,000	1,500,000,000	738,281,250	812,109,375	BONUS (1:10)

INITIAL SHARE CAPITAL	300,000,000
BONUS ISSUES	1,199,218,750
RIGHTS OFFER	35,000,000
PUBLIC OFFER	90,000,000
PAID UP CAPITAL	1,624,218,750

YEAR	SHARE CAPITAL	MODE OF ACQUISITION
2006	300,000,000	INITIAL SHARE CAPITAL
2007	750,000,000	BONUS 2007 450,000,000 SHARES
2007	785,000,000	RIGHTS OFFER 35,000,000 SHARES
2007	875,000,000	PUBLIC OFFER 90,000,000 SHARES
2008	984,375,000	BONUS 2008 109,375,000 SHARES
2010	1,230,468,750	BONUS 2009 246,093 750 SHARES
2012	1,476,562,500	BONUS 2011 246,093 750 SHARES
2015- TILL DATE	1,624,218,750	BONUS 2015 147,656,250 SHARES

Donations

The Group made donations and gifts as detailed below during the year (2021: N3.64m; 2020: N1.3m)

	N'000
Nigeria Customs Service	693
Nigeria Association of Women Journalists	100
National Union of Air Transport Employees	300
Air Transport Senior Staff Association of Nigeria	1,000
Hajiya Safira Borodo Foundation (HSBF)	500
League of Airport & Aviation Correspondents	250
National Asso. of Aircraft Pilots & Engineers	100
Travel and Business News	100
Airport Security Committee	100
Nigeria Skit Industry Awards	500
	3, 643

The Group did not make any donation or gift to any political party, political association or for any political purpose in 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

The Group has a policy of fair consideration of job applications by disabled persons having regard to their abilities and aptitude. The Group's policy prohibits discrimination against disabled persons in the recruitment, training and career development of its employees. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical to those of other employees. The Group had no disable persons in it's employmenyt as at 31 December, 2021.

Property, Plant and Equipment

Information relating to changes in property, plant and equipment is given in Note 11 to the financial statements. In the opinion of the Directors, the market value of the Group's property, plant and equipment is not less than the value shown in these consolidated and separate financial statements.

Events After The Reporting Date

As stated in Note 39, no events or transactions have occurred since the end of the reporting period, which would have a material effect on 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.

Employees Health, Safety and Welfares

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 Group has made arrangements with Health Management Organisations (HMO) where medical facilities are provided for staff and their immediate families as non-payroll employee benefits. Also, the Group has a dedicated unit for Health, Safety Environment and Quality in line with standard policy applicable to aviation industry. A contributory pension fund scheme, in line with the Pension Reform Act 2014 (as amended), exists for employees of the Group.

Employee Involvement and Traning

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and the various factors affecting the performance of the Group. This is achieved through regular meetings between Management and staff of the Group. The Group has in-house training facilities complemented with additional facilities from educational institutions (local and foreign) for the training of its employees.

Customer Complaints

The Group is committed to ensuring an effective and responsive complaints management process hence it has put in place a complaints management policy to ensure that the causes of complaints are fully addressed and to assure stakeholders and members of the public that their concerns will be handled in a fair and appropriate manner.

Directors' Remuneration

The Group ensures that remuneration paid to its Directors complies with the provisions of the codes of Corporate Governance issued by the regulators, in compliance of which it makes disclosure of the remuneration paid to its Directors in this consolidated and separate Financial Statements.

Disclosure of Remuneration of Managers

The remuneration of the managers of the Company for the year ended 31st December, 2021 is disclosed in the Consolidated and Separate Financial Statements.

Auditors

The auditors, Ernst & Young, having satisfied the relevant corporate governance rules on their tenure in office and indicated their willingness, will continue in office as the Group's auditors in accordance with Section 401(2) of the Companies and Allied Matter Act, 2020.

By Order of the Board

Bello A. Abdullahi
Dikko & Mahmoud (Solicitors & Advocates)
FRC/2013/ NBA/00000002301
Company Secretary

29th March, 2022

CORPORATE GOVERNANCE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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 Group has undertaken to create the institutional framework conducive to defending the integrity of our Directors and it is convinced that, on account of this, the Board 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.

Group Governance Structure

The Board

The Board comprises twelve (12) Directors, made up of nine (9) Non-Executive and three (3) Executive Directors. The Board is responsible to shareholders for creating and delivering sustainable value through its general supervision of the Group's business. The positions of the Chairman and the Chief Executive Officer are held by different persons 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 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 are 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 Group's strategy.

The Board has established committees to assist it in the discharge of its responsibilities. The Group has established the Board Charter and the Board Committees Charters. The Charters spell out the responsibilities, appointment, terms of references and composition of the Board and the Board Committees, and review process of the Charters, 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, the Group maintains an effective and candid communication with its shareholders which enables them to understand the Group's business, financial conditions and operating performance and trends. The Board places considerable importance on effective communication with the shareholders as it recognises the importance of ensuring an appropriate balance in meeting their needs. The Group always strives 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 Group Managing Director/CEO.

BOARD MEETINGS

The Board met six (6) times during the 2021 financial year. The meetings were held on 27th January, 11th March, 29th March, 28th April,29th July and 29th October. The following is the list of the Directors and their attendance at the Board meeting.

Directors	Designation	Number of Meetings During the year	Number of Meetings Attended
Dr. Seinde Oladapo Fadeni	Chairman (Non-Executive Director)	6	6
Engr. Mohammed Gambo Umar, mni	Vice Chairman (Non-Executive Director)	6	6
Mrs. Olatokunbo Adenike Fagbemi	Group Managing Director/ CEO	6	4
Sir. Sunday Nnamdi Nwosu	Independent Non-Executive Director	6	6
Mr. Akinwumi Godson Fanimokun	Independent Non-Executive Director	6	6
Mr. Taofeeq Oluwatoyin Salman	Non-Executive Director	6	6
Engr. Sholagbade Olukayode Alabi	Non-Executive Director	6	6
Mr. Tajudeen Muyisola Shobayo	Non-Executive Director	6	6
Mr. Olumuyiwa Augustus Olumekun	Executive Director	6	6
Prince Saheed Lasisi	Executive Director	6	5
Mrs. Abimbola Adunola Adebakin	Independent Non-Executive Director	6	6
Prof Enyinna Okpara	Non-Executive Director	1	1*

NB*
Prof. Enyinna Okpara did not attend the Board meetings held on 27th January, 11th March, 29th March, 28th April and 29th July because he was not a Director on those dates as he was appointed on 30th July 2021.

Board Committees

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

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

(1) Risk and Compliance Committee.
(2) Governance and Remuneration Committee.
(3) Finance and General Purposes Committee

Risk and Compliance Committee

The Committee was chaired by a Non-Executive Director with two (2) other Non-Executive Directors and two (2) Executive Director.

The terms of reference include:

1. Oversight function on all risk related issues.
2. Keep under review the effectiveness of the Group's internal controls, audit functions and risk management system including the business risk program.
3. Evaluate whether Management is setting the appropriate "control culture" by communicating the importance of internal controls and management of risk.
4. Review the Group's policies and practices concerning business conduct, ethics and integrity.
5. Encourage whistle blowing process for report of unethical activity.

Risk and Compliance Committee - Continued

6. Review policies and processes established by Management on the implementation of risk, and safety quality and to monitor the Group's compliance with international standards of risk and safety quality.
7. Authorize the internal auditor to carry out investigation into any activities of Management/Group that may be of concern to the Committee.
8. Serve as an independent and objective party to review the financial information presented by Management to the Board and the general public.
9. Oversee and appraise the quality of audits conducted by the Group's internal and external auditors.
10. Determine the efficiency and effectiveness of administrative operating and accounting controls used by the Group.
11. Establish and periodically review a code of conduct and monitor the ethical behaviour of the Group and Management to ensure compliance.
12. Review the placement of the Group's insurance program and its alignment with the Group's risk profile.
13. Identify any special projects or investigations deemed necessary.

Governance and Remuneration Committee

The Committee was chaired by a Non-Executive Director with four (4) other Non-Executive Directors.

The terms of reference include:

1. Establish and review on a regular basis the existence of an appropriate code of conduct which focuses on leadership policies and general behavior within the Group.
2. Assess the effectiveness of the Board of Directors as a whole, the committees of the Board and the overall contribution of individual Directors including making recommendations to the Board with respect to the Board performance and standards and procedure for review of the Board's performance.
3. Oversee the Board performance evaluation process and reviewing the self-evaluation of the Directors.
4. Conduct an annual analysis of individual Directors' skills and experience to assess the Board's specific needs and the skills, experiences and behavioral attributes required to address its needs.
5. Prepare a profile for vacant positions, based on the identified gaps in skills and composition on the Board. Establish the criteria for Board and Board committee memberships, review candidates' qualifications and any potential conflict of interest, assess the contribution of current Directors in connection with their re-nomination and make recommendations to the Board.
6. Prepare a job specification for the Chairman's position, including an assessment of time commitment required of the candidate.
7. Evaluate the current composition, organization and governance of the Board and its committees, and determine future Board and committee requirements, including the appropriateness of the size of the Board relative to its responsibilities, and make recommendations regarding the foregoing to the Board for approval.
8. Review with Management and Company Secretary the Company system of governance.
9. Oversee the implementation and operation of process, structures and effective systems of governance as approved by the Board of Directors and industry specific standards and practices and make recommendations to the Board with respect to the Company's business code of conduct.
10. Review the Group's annual disclosure of its corporate governance practices pursuant to applicable legislative rules and industry specific standards and practices.
11. Perform any other activities consistent with its responsibilities and duties as the Committee or the Board of Directors deems necessary or appropriate.
12. Oversees compliance of all the Committees with the Group's corporate governance policies and standards.
13. Provide an orientation and education program for new recruits to the Board of Directors to allow them to fully understand (i) the business of the Group and the role of its Board of Directors, (ii) the role of the committees of the Board and (iii) the contribution individual directors are expected to make, including in particular, the commitment of time and energy that the Group expects of its Directors.

Governance and Remuneration Committee - Continued

14. Identify the training needs and knowledge gaps of Board members. The Committee should ensure that each Board Director attends a minimum of one (1) core training or development program each financial year. The training programs should be such that would improve the effectiveness and efficiency of the Directors in managing the Group and meeting its business objectives.
15. Ensure that succession policy and plan exist for the positions of Chairman and the subsidiary managing directors for Group companies.
16. Review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable.
17. Provide for the succession of the Board Chairman, Non-executive Directors, the subsidiary Board and the subsidiary Managing Directors of the Group Companies to assist the Board in ensuring an orderly transition when Directors resign or retire.
18. The succession planning policy may include the following:
    a. Key competencies - specific minimum qualifications and experience and the process for determining current and emerging competency requirements;
    a. Identification of the talent pool/possible successors;
    a. Areas of improvement of the alternatives and the required training/skill needed.
    a. Transition guidelines.
19. Conducting evaluation and competency on the appointment of Non-Executive Directors.
20. Making recommendation on the appointment, remuneration and promotion of Executive Directors and senior Management.
21. Setting and reviewing the effectiveness of the remuneration policies, Management succession plan, human resources and practices of the Group;
22. Setting and reviewing, in accordance with the company's remuneration policies and practices, the remuneration of the Managing Director, the direct reports to the Managing Director and other such executives as the Board may from time to time determine;
23. Setting and reviewing, as appropriate, the terms of employment contracts for the personnel referred to above;
24. Setting and reviewing the terms of the Group's short and long term incentive plans including any share option plans for employees and Directors;
25. Making recommendations to the Board on setting and reviewing all components of the remuneration of Non-Executive Directors. Such components shall include annual remuneration, sitting allowance and all other benefits and entitlements arising from their directorships;
26. Ensuring that the Group's remuneration policies and practices support the successful recruitment, development and retention of Executive Directors and Senior Management Team.
27. Reviewing from time to time the Senior Executive Team and the appropriateness of succession planning policies which are in place.
28. Defines the process for determining levels of remuneration and the frequency of review;
29. Provides how and to what extent Executive Directors' reward should be linked to corporate and individual performance.
30. Provide input to the annual report of the Group in respect of Directors' compensation;
31. To consider any other matter referred to it by the Board.

Finance and General Purposes Committee

The Committee was chaired by a Non-Executive Director with two (2) other Non-Executive Directors and two (2) executive directors.

The terms of reference include:

1. Stay informed on a timely basis about the Group's financial status.
2. As appropriate, review and recommend to the Board, key financial policy matters.

Finance and General Purposes Committee - Continued

3. Oversee development of the budget, financial reporting, policies and processes.
4. Advise Management and the Board regarding financial matters including global financial policies and practices, capital structure, annual financing plans, restructuring, acquisitions and divestitures;
5. Analyze and recommend basic financial goals to be achieved by the Group
6. Receive suggestions from the Executive Management as to how performance can and will be improved upon.
7. Review significant relationships with analysts, banks and investment banks;
8. Review the operational and financial performance of the Group on major capital investment projects versus original projections and to keep the Board advised on all financial implications on decisions taken.
9. Review and recommend a dividend policy for the Group;
10. Evaluating the long-term productivity of the Group's operations.
11. Review operating budgets of the Group. Review financial performance of the Group and compare performance to budgets and goals.
12. Tracking/monitoring/accountability for funds by the Executives.
13. Ensure adequate financial controls.
14. Recommend approval of capital expenditures, specific projects and their financing within the overall plan approved by the Board.
15. Require and monitor correction actions to bring the Company into compliance with its budgets and other financial targets.
16. Review and recommend to the Board the strategic planning process, long-range objectives and strategic plan for the Company along with the specific business and marketing plans for the Group and its subsidiaries.
17. Provide input from the Board to Management in the development of the Group's strategic plan;
18. Serve as a resource in assisting Management in the development of the Group's strategic plan;
19. Act in an advisory capacity in assessing the strategies and action plans designed to meet the Group's strategic objectives; and
20. Serve as representatives of the Board in evaluating the Group's strategic planning process.
21. Consider any other matters referred to it by the Board.

The Audit Committee

The Audit Committee was composed of five members made up of three representatives of the Shareholders elected at the 2021 Annual General meeting held on 30th July 2021 for a tenure of one year till the conclusion of the 2022 Annual General Meeting; and two representatives of the Board of Directors nominated by the Board.

The terms of reference as provided in section 407 of the Companies and Allied Matters Act 2020.

1. Ascertains whether the accounting and reporting policies of the Group 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 Group's system of accounting and internal controls;
5. Makes recommendations to the Board regarding the appointment, removal and remuneration of the external auditors of the Group; and
6. Authorises the internal auditor to carry out investigations into any activities of the Group which may be of interest or concern to the Committee.

CORPORATE GOVERNANCE REPORT - Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

MEETINGS HELD BY COMMITTEES

Risk and Compliance Committee met four (4) times during the 2021 financial year. The meetings were held on 10th March, 17th June, 16th September, and 9th December .

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Engr. Mohammed Gambo Umar, mni	Chairman (Non-Executive Director)	4	4
Mrs. Olatokunbo Adenike Fagbemi	Group Managing Director/ CEO	4	3
Engr. Solagbade Olukayode Alabi	Non-Executive Director	4	4
Mrs. Abimbola Adunola Adebakin	Non-Executive Director	3	3*
Prof. Enyinna Okpara	Non-Executive Director	1	1*
Mr. Taofeeq O. Salman	Non-Executive Director	1	1*

NB*

1. Mrs. Abimbola Adunola Adebakin did not attend the meeting held on 9th December because she was no longer a member of the Committee.
2. Mr. Taofeeq Oluwatoyin Salman did not attend the meetings held on 10th March, 17th June and 16th September because he was not appointed as a member of the Committee on those dates.
3. Prof. Enyinna Okpara did not attend the meetings held on 10th March, 17th June and 16th September because he was not appointed as a member of the Committee on those dates.

The Governance and Remuneration Committee met four (4) times during the 2021 Financial Year. The meetings were held on the 2nd March, 16th June, 15th September and 8th December.

Directors	Designation	Number of Meetings During the Year	Number of Meetings Attended
Mr. Akinwumi Godson Fanimokun	Chairman (Independent Non-Executive Director)	4	4
Sir Sunday Nnamdi Nwosu, KSS	Non-Executive Director	4	4
Mr. Tajudeen Moyosola Shobayo	Non-Executive Director	4	4
Engr. Solagbade Olukayode Alabi	Non-Executive Director	4	4
Mrs. Abimbola A. Adebakin	Non-Executive Director	4	4

CORPORATE GOVERNANCE REPORT - Continued
FOR THE YEAR ENDED 31 DECEMBER 2021

MEETINGS HELD BY COMMITTEES - Continued

Finance and General Purposes Committee met six (6)times during the 2021 financial year. The meetings were held on 20th January , 18th March, 20th April, 22nd June, 22nd July and 20th October.

Directors	Designation	Number of Meetings During the Year	Number of Meetings Attended
Mr. Tajudeen Moyosola Shobayo	Chairman (Non-Executive Director)	6	6
Mr. Akinwumi Godson Fanimokun	Non-Executive Director	6	6
Mrs. Olatokunbo Adenike Fagbemi	Group Managing Director/ CEO	6	6
Mr. Olumuyiwa Augustus Olumekun	Executive Director	6	6
Mrs. Abimbola Adunola Adebakin	Non-Executive Director	6	6

Audit Committee met five (5) times during the 2021 financial year. The meetings were held on 21st January, 19th March, 21st April, 19th July and 21st October.

Directors	Designation	Number of Meetings During Tenure	Number of Meetings Attended
Dr. Okpan Awa Erem	Chairman	5	5
Mr. Mohammed Gambo Fagge	Member	5	5
Mrs. Adebisi Oluwayemisi Bakare	Member	5	5
Engr. Mohammed Gambo Umar, mni	Non-Executive Director	5	5
Sir Sunday Nnamdi Nwosu, KSS	Non-Executive Director	4	4*
Mr. Taofeeq Oluwatoyin Salman	Non-Executive Director	4	4*
Mr. Tajudeen Moyoshola Shobayo	Non-Executive Director	1	1*

NB*
1. Sir Sunday Nnamdi Nwosu, KSS did not attend the meeting held on 21st October because he was no longer a member of the Committee.
2. Mr. Taofeeq Oluwatoyin Salman did not attend the meeting held on 21st October because he was no longer a member of the Committee.
3. Mr. Tajudeen Moyoshola Shobayo did not attend the meetings held on 21st January, 19th March, 21st April and 19th July because he was not appointed as a member of the Committee on those dates.

Complaint Management Policy

The Board approved the Complaint Management Policy pursuant to the Rules of the Securities & Exchange Commission ("SEC") on the Complaints Management Framework of the Nigerian Capital Market ("Framework") and the directive of the Nigerian Exchange ("The NGX") to all listed Companies. The policy is published on the Company's website: www.nahcoaviance.com

Insider Trading Policy

The Board approved the Insider Trading Policy which is compliant with the provisions of Section 14 of the Amended Listing Rules of the Nigerian Exchange. The Policy applies to all Directors, members of Audit Committee, Employees of the Company or related company and any other person in possession of insider information from dealing with 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 Exchange and the Company's policy on insider trading, published on the Company's website: www.nahcoaviance.com.

Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of the Exchange 2015 (Issuers Rule) the Policy guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares, which undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its Directors and other insiders and is not aware of any infringement of the policy during the year.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

NAHCO Plc, is the leading ground handling company in Nigeria, operating from all the functional airports within the country, with value enhancing subsidiaries sired with the desire to offer innovative activities, covering air, land, and sea.

We are committed to our responsibilities toward sustaining our businesses in a positively enhancing and sustainable environment.

Despite the several waves of Covid-19 pandemic, and its attendant effect on our businesses, we ensured a-harm-free operation in 2021.

Our investment in personal protective equipment, though at a huge cost, helped in sustaining our operations, protected the environment where we operate from, and paved the way for an assured future.

We deployed series of sensitization materials to all our locations at regular intervals and ensured compliance.

Compliance Officers were deployed to all our locations, at a cost, and we never blinked in making sure to provide the best support systems for all our staff by enhancing their health and protection.

Our HMO packages were upgraded to cater for our contract staff and their family members, who were hitherto not included.

We also strengthened our aircraft disinfection team and partnered with biotechnology firms to ensure standardised service delivery.

Our risk management level is high. We have put strategic measures in place to ensure that our job does not pose any threat to anyone and the community where we operate.

We restructured our health and safety procedures and invested in new health assets for all our operations. Safety boots, earmuff, reflective jackets, nose masks and sanitizers were distributed to all our operational staff across the network.

We have consistently adhered to our Standard Operating Procedures to ensure compliance- this helped us in succeeding in all the airlines' audit in 2021.

Besides, we have achieved a 50% reduction in paper use across the network.

Corporate Social Responsibility

To ensure standardization, we now have a Board approved Corporate Social Responsibility & Sustainability manual to guide our activities. An implementation committee set up by Management has proposed the following projects for the year 2022:
Construction of Toilet facility in Port Harcourt airport community - N5.5million
Renovation of a Primary School at Ajao Estate/Shogunle axis, Lagos – N5.5million
Renovation of a school in Kano/Abuja airport community - N5.5million

STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR THE YEAR ENDED 31 DECEMBER 2021

The Companies and Allied Matters Act 2020 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 Group at the end of the year and of its profit or loss. The responsibilities include ensuring that the Group:

a. keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and comply with the requirements of the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act, 2020 and Financial Reporting Council of Nigeria Act No 6, 2011

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 judgements 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 judgements and estimates, in conformity with the International Financial Reporting Standards and the provisions of the Companies and Allied Matters Act 2020 and in compliance with the Financial Reporting Council of Nigeria Act No.6, 2011.

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 Group and of its profit for the year ended 31 December 2021. 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 Group 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:

....

Dr. Seinde Oladapo Fadeni
Chairman
FRC/2019/NIM/00000019430

....

Prince Saheed Lasisi
Executive Director
FRC/2020/003/00000021633

29th, March 2022

REPORT OF THE AUDIT COMMITTEE

FOR THE YEAR ENDED 31 DECEMBER 2021

In accordance with the provision of Section 404 of the Companies and Allied Matters Act, 2020, members of the Audit Committee of Nigerian Aviation Handling Company Plc report as follows:

We have exercised our statutory functions under section 404 of the Companies and Allied Matter Act, 2020, 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 Group 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 the Management.
5. We have reviewed the consolidated and separate audited financial statements prior to the Board's approval.

Dr Okpan Awa Erem
Chairman Audit Committee
FRC/2014/NIM/00000008663

29 March 2022

MEMBERS OF THE AUDIT COMMITTEE

Dr. Okpan Awa Erem -	Shareholders representative (Chairman)
Mr. Mohammed Gambo Fagge -	Shareholders Representative
Mrs. Adebisi Oluwayemisi Bakare	Shareholders Representative
Engr. Mohammed Gambo Umar, mni	Non-executive Director
Mr. Tajudeen Moyosola Shobayo	Non-Executive Director

GROUP EXECUTIVE COMMITEE

Indranil Gupta
GMD/CEO

Olusola Obabori
Executive Director, Business & Corporate Services

Saheed Lasisi
Executive Director, Business Development & Commercial

Abiodun Oyebade
Head of Operations

Adeoye Emiloju
Chief Financial Officer

CERTIFICATE OF ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2021

Certification Pursuant to Section 405(1) of Companies and Allied Matter Act, 2020

We the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2021 that:

a. We have reviewed the report;
   To the best of our knowledge, the report does not contain:
   - Any untrue statement of a material fact, or
   - Omit to state a material fact, which would make the statements misleading in the light of circumstances under which such statements were made;

b. To the best of our knowledge, the financial statement and other financial information included in this report fairly present in all material respects the financial condition and results of operation of the company as of, and for the periods presented in this report.

c. We:
   - are responsible for establishing and maintaining internal controls.
   - have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiaries is made known to such officers by others within those entities particularly during the period in which the periodic reports are being prepared;
   - have evaluated the effectiveness of the Company's internal controls as of date within 90 days prior to the report;
   - have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;

d. We have disclosed to the auditors of the Company and Audit Committee:
   - All significant deficiencies in the design or operation of internal controls which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weakness in internal controls, and
   - Any fraud, whether or not material, that involves management or other employees who have significant role in the company's internal controls;

We have identified in the report whether or not there were significant changes in internal controls or other factors that could significantly affect internal controls subsequent to the date of our evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

....
Prince Saheed Lasisi
Executive Director
FRC/2020/003/00000021633

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

INDEPENDENT AUDITOR'S REPORT

Building a better working world

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 consolidated and separate financial statements of Nigerian Aviation Handling Company Plc {"the Company) and Its subsidiaries (together 'the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2021, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated and separate financial position of the Group and the Company as at 31 December 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year ended in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2020 and in compliance with 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 and the Company in accordance with the international Code of Ethics for Professional Accountants including International Independence Standards) (IESBA Code› together with the ethical requirements that are relevant to our audit of the consolidated and separate financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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 Judgment, 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; 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 Auditors' Responsibilities for the Audit of the consolidated and separate financial statements section of our report, Including in relation to th0sc matters. Accordingly, our adult 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 matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Nigerian Aviation Handling Company Plc
Report on the Audit of the Consolidated and Separate Financial Statements - continued

The Key Audit Matters applies equally to the audit of thee consolidal cd and sepai ate financial statments.

Key Audit Matter	How the matter was addressed in the audit
Determination of allowance for expected credit loss on trade receivables The Group had in its books as at 31 December 2021 gross trade receivables amounting to N2.32 billion with allowance for expected credit loss of N737 million. The allowance for expected credit loss represents 32% of the gross trade receivable balance. The Group continues to grapple with uncertainty over the collectability of contract receivables from specific customers. This condition became heightened as majority of the airlines that constitute the Group's major customers are yet to recover fully form the impact of Covid 19. The determination as to whether a trade receivable is collectable involves Management's judgment. The trade receivables were tested for impairment using the Expected Credit Loss (ECL) model. The ECL model also requires judgment in the estimation of the amount and timing of future cash flows and assessment of a significant increase in credit risk. We considered this a Key Audit Matter due to the materiality of the amounts involved and the high level of management judgement required. The Group's accounting policy on impairment of trade receivables and related ECL disclosures are shown in the financial statements	We obtained management's model for the computation of expected credit loss on trade receivable and performed the following procedures: - analyzed the segmentation of the portfolio provided by management and ensured they applied the shared risk characteristics. - recomputed the payment profile of customers for sales recorded during the year and reviewed the bad debts in the year written off (deemed losses). - challenged the loss rates to ensure that the calculation reflects the probability weighted outcome, - tested the historical accuracy of the model by assessing the historical projections versus actual losses. - challenged the scalar adjustment multiplier to determine if they were appropriate.

INDEPENDENT AUDITOR'S 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 informatlon comprises the Report of the Directors, Audit Committee's Report and other National Disclosures. The other information does not include the consolidated and separate financlal statements and our auditor's 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 matørially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materlally mlsstated. If, based on the work we have performed, we conclude that there is a material mlsstatement of this other information, we are required to report that fact. We have nothing to report in this reqard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards, the provisions of the Companies and Allied Matters Act, 2021 and in compliance with the Financial Reporting Council of Nigeria Act No. 6, 2011, and for such internal control as the Directors determine is necessary to enable the preparation of ,consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the group's and the Company'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 and/or the Company 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 collusi0n, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

To the Members of Nigerian Aviation Handling Company Plc

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

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- 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 and the Company'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 and the Company'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 and/or the Company 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.

- 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, actions taken to eliminate threats or safeguards applied.

- 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 of 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 I he public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

To the Members of Nigerian Aviation Handling Company Plc
Report on the Audit of the Consolidated and Separate Financial Statements - continued

Report on Other Legal and Requlatory Requirements

In accordance with the requirement of the Fifth Schedule of the Companies and Allied Matters Act, 202 1, we confirm that:

- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit ;

- In our opinion, proper books of account have been kept by the group and company, in so far as it appears from our examination of those books;

- The consolidated and separate statement s of financial position and the consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account; and

- In our opinion, the consolidated and separate financial statements have been prepared in accordance with the provisions of the companies and Allied Matters Act. 2021 so as to give a true and fair view of I we state of affairs and financial performance of the Company and its subsidiaries.

Omolola Alebiosu, FCA
FRC/2013/ICAIJ/00000000145
Foi-: Ernst & Young
Laqos, Nigeria

31. March 2022

CONSOLIDATED AND SEPERATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Notes	2021 ₦'000	2020 ₦'000	2021 ₦'000	2020 ₦'000
Revenue	5	10,232,674	7,126,121	9,658,964	6,779,005
Operating costs	9a	(6,889,038)	(4,823,653)	(6,695,929)	(4,691,972)
Gross profit		3,343,636	2,302,468	2,963,035	2,087,033
Other income	6	268,082	581,267	203,812	531,545
Administrative expenses	9b	(2,556,374)	(2,367,740)	(2,339,697)	(2,185,736)
Expected credit losses	9c	(2,724)	(37,905)	33,456	1,884
Profit from operations		1,052,620	478,090	860,606	434,726
Finance costs	7	(187,096)	(203,464)	(177,113)	(191,737)
Finance income	7	59,331	86,653	59,331	86,653
Profit before tax		924,855	361,279	742,824	329,642
Income tax expense	8(a)	(153,240)	(59,148)	(163,094)	(37,820)
Profit for the year		771,615	302,131	579,730	291,822
Other comprehensive income; net of tax		-	-	-	-
Total comprehensive income for the year, net of tax		771,615	302,131	579,730	291,822
Attributable to:					
Profit attributable to equity holders of the parent		743,189	291,504	579,730	291,822
Non-controlling interest	27	28,426	10,627	-	-
		771,615	302,131	579,730	291,822
Earnings per share:					
Basic/diluted earnings per share (Kobo)	10	46	18	36	18

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	Group 2021 ₦'000	Group 2020 ₦'000	Company 2021 ₦'000	Company 2020 ₦'000
Assets					
Non-current assets					
Property, plant and equipment	11	6,839,798	7,288,358	6,701,957	7,132,440
Intangible assets	14	117,587	131,174	23,284	36,787
Investment property	15	296,447	133,310	296,447	133,310
Right of use Assets	12&13	697,553	755,540	709,524	758,945
Investment in subsidiaries	16	-	-	39,500	39,500
Total non-current assets		7,951,385	8,308,382	7,770,712	8,100,982
Current assets					
Inventories	18	288,507	270,747	288,507	270,747
Trade and other receivables	20	3,048,302	2,542,957	2,892,307	2,340,312
Intercompany receivables	21	-	-	609,276	613,664
Other current assets	17	-	532	-	532
Prepayments	19	2,242,332	1,309,255	2,022,431	1,095,182
Debt instruments at amortized costs	22b	355,883	485,032	355,883	485,032
Cash and cash equivalents	22	2,555,186	835,529	2,344,682	735,318
Total current assets		8,490,210	5,444,052	8,513,086	5,540,787
Total assets		16,441,595	13,752,434	16,283,798	13,641,769
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	4,376,542	3,836,380	4,249,251	3,872,548
Total equity attributable to equity holders of the Company		7,103,409	6,563,247	6,976,118	6,599,415
Non-controlling interests	27	(84,972)	(113,398)	-	-
Total equity		7,018,437	6,449,849	6,976,118	6,599,415
Non-current liabilities					
Lease liabilities	28a	1,163,761	1,192,080	1,173,501	1,194,714
Deferred tax liabilities	8C	715,706	805,416	725,163	804,267

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2021 - continued

	Notes	Group 2021 ₦'000	Group 2020 ₦'000	Company 2021 ₦'000	Company 2020 ₦'000
Current liabilities					
Current tax liabilities	8b	961,665	782,670	957,758	745,803
Trade and other payables	29	5,434,166	4,412,166	5,364,984	4,225,110
Lease liabilities	28a	23,414	53,195	21,314	51,402
Deferred Income	30	1,124,446	57,058	1,064,960	21,058
Total current liabilities		7,543,691	5,305,089	7,409,016	5,043,373
Total liabilities		9,423,158	7,302,585	9,307,680	7,042,354
Total equity and liabilities		16,441,595	13,752,434	16,283,798	13,641,769

Dr. Seinde Oladapo Fadeni
Chairman
FRC/2019/NIM/00000019430

Prince Saheed Lasisi
Executive Director
FRC/2020/003/00000021633

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

29, MARCH 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
Attributable to the equity holders of the Group

2021	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000	Non-Controlling interest ₦'000	Total equity ₦'000
At 1 January 2021	812,109	1,914,758	3,836,380	6,563,247	(113,398)	6,449,849
Profit for the year	-	-	743,189	743,189	28,426	771,615
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	743,189	743,189	28,426	771,615
Dividend paid (Note 26c)	-	-	(203,027)	(203,027)	-	(203,027)
At 31 December 2021	812,109	1,914,758	4,376,542	7,103,409	(84,972)	7,018,437

Attributable to the equity holders of the parent

2020	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000	Non-controlling interest ₦'000	Total equity ₦'000
At 1 January 2020	812,109	1,914,758	4,032,142	6,759,009	(124,025)	6,634,984
Profit for the year	-	-	291,504	291,504	10,627	302,131
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	291,504	291,504	10,627	302,131
Dividend paid (Note 26c)	-	-	(487,266)	(487,266)	-	(487,266)
At 31 December 2020	812,109	1,914,758	3,836,380	6,563,247	(113,398)	6,449,849

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

Company

	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2021	812,109	1,914,758	3,872,548	6,599,415
Profit for the year	-	-	579,730	579,730
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	579,730	579,730
Dividend paid (Note 26c)	-	-	(203,027)	(203,027)
At 31 December 2021	812,109	1,914,758	4,249,251	6,976,118

2020	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Total ₦'000
At 1 January 2020	812,109	1,914,758	4,067,992	6,794,859
Profit for the year	-	-	291,822	291,822
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	291,822	291,822
Dividend paid (Note 26c)	-	-	(487,266)	(487,266)
At 31 December 2020	812,109	1,914,758	3,872,548	6,599,415

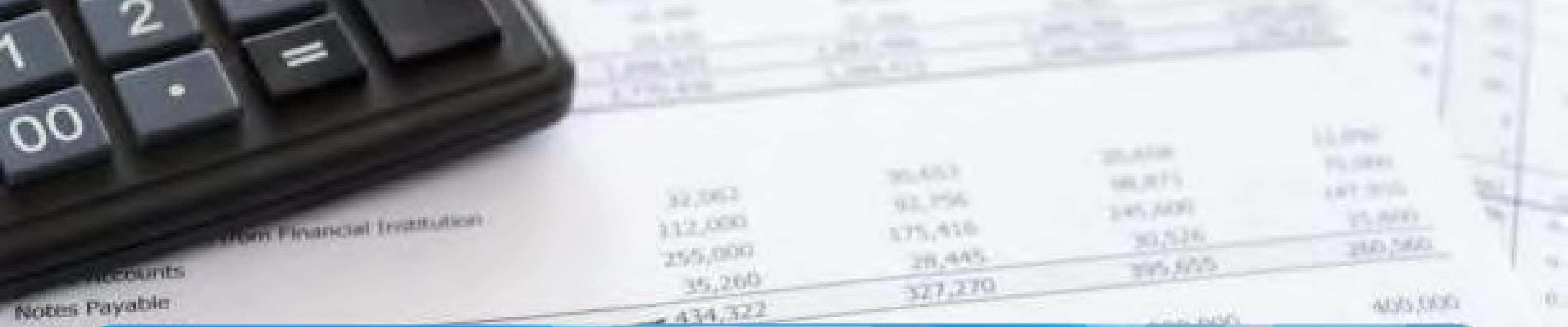
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Notes	2021 ₦'000	2020 ₦'000	2021 ₦'000	2020 ₦'000
Operating activities					
Profit before tax		924,855	361,279	742,824	329,642
Adjustments to reconcile profit before tax to net cash flows:					
Depreciation of property, plant and equipment (PPE)	11	909,299	901,788	886,607	872,504
Depreciation of investment property	15	82,639	3,604	82,639	3,604
Amortization of intangible asset	14	13,588	17,901	13,503	17,817
Depreciation of right-of-use asset	12&13	57,987	76,270	49,421	68,021
Profit on disposal of PPE	6	(63,333)	(2,063)	(63,333)	(2,418)
Unrealized exchange difference	6	20,153	156,180	20,153	156,003
Expected credit losses expenses/ (write-back)	9c	2,724	37,905	(33,456)	(1,884)
Assets written off		2,260	-	2,260	-
Inventories write down		36,000	-	36,000	-
Deferred rent released to profit or loss	30.1	(72,351)	(179,245)	(72,351)	(143,148)
Finance cost	7	187,096	203,464	177,113	191,737
Finance income	7	(59,331)	(86,653)	(59,331)	(86,653)
		2,041,586	1,490,430	1,782,049	1,405,225
Working capital adjustments:					
Decrease in inventories		18,240	14,044	18,240	14,044
(Increase)/decrease in trade and other receivables		(506,280)	29,588	(585,451)	9,025
Decrease (Increase) in intercompany receivables		-	-	4,388	(30,906)
(Increase)/decrease in prepayments		(933,077)	1,000,896	(927,249)	1,002,432
Increase/(decrease) in trade and other payables		1,173,456	(537,901)	1,355,314	(417,414)
		1,793,925	1,997,057	1,647,291	1,982,406
Taxation paid	8(b)	(58,572)	(55,773)	(30,241)	(48,111)
Net cash flows from operating activities		1,735,353	1,941,284	1,617,050	1,934,295

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS - continued

FOR THE YEAR ENDED 31 DECEMBER 2021

		Group		Company	
	Notes	2021 ₦'000	2020 ₦'000	2021 ₦'000	2020 ₦'000
Investing activities					
Purchase of property, plant and equipment	11	(463,666)	(1,509,039)	(459,051)	(1,491,921)
Purchase of Intangible assets	14	-	(850)	-	-
Acquisition of investment properties	15	(245,776)	-	(245,776)	-
Investment in debt Instrument	22b	(368,628)	(487,431)	(368,628)	(487,431)
Liquidation of debt instrument	22b	487,431	187,168	487,431	187,168
Proceeds from disposal of property, plant and equipment		64,000	25,670	64,000	3,677
Rent received	30.1	139,739	166,146	116,253	138,149
Grant received	30.2	1,000,000	-	1,000,000	-
Outflow from bond repayment fund	17	-	(448,060)	-	(448,060)
Inflow from bond repayment fund	17	-	444,564	-	444,564
Interest received	7	59,331	86,653	59,331	86,653
Net cash outflows from (used in) investing activities		672,431	(1,535,179)	653,560	(1,567,201)
Financing activities					
Repayment of bond	28	-	(437,372)	-	(437,372)
Finance cost	7	(187,096)	(203,464)	(177,113)	(191,737)
Payment of interest on lease	28a	(57,268)	(4,303)	(89,829)	(1,420)
Payment of lease liability	28a	(187,928)	(17,211)	(138,585)	(4,846)
Dividends paid	26b	(250,488)	(487,266)	(250,488)	(487,266)
Net cash flows used in financing activities		(682,780)	(1,149,616)	(656,015)	(1,122,641)
Net increase/(decrease)in cash and cash equivalents		1,725,004	(743,511)	1,614,595	(755,547)
Cash and cash equivalents at 1 January		835,771	1,579,281	735,522	1,491,068
Cash and cash equivalents at 31 December	22	2,560,775	835,770	2,350,117	735,521



FOR THE YEAR ENDED 31 DECEMBER 2021

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 year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The group is primarily involved in provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

2. Basis of preparation

a. Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), the relevant provisions of the Companies and Allied Matters Act 2020 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011.

The financial statements were authorized for issue by the Directors on 29 March 2022

b. Functional and presentation currency

These financial statements are presented in the Nigerian Naira, which is the Group'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 historical cost basis.

d. Use of estimates and judgments

The preparation of the consolidated and separate financial statements is in conformity with the IFRS which requires management to make judgments, 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 judgments 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.

Basis of preparation – Continued

d. Use of estimates and judgments - Continued

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:

Determining the timing of satisfaction of Ground and Cargo Handling Services

Revenue from contract with customers is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Company. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company has determined that the input method is the best method in measuring progress of Ground and Cargo Handling Services contracts because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Company's performance completed to date.

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.

Basis of preparation – Continued

d. Use of estimates and judgments - Continued

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:

Determining the timing of satisfaction of Ground and Cargo Handling Services

Revenue from contract with customers is to be recognized over time because the customer simultaneously receives and consumes the benefits provided by the Company. The fact that another entity would not need to re-perform the service that the Company has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Company's performance as it performs.

The Company has determined that the input method is the best method in measuring progress of Ground and Cargo Handling Services contracts because it can demonstrate that the invoiced amount corresponds directly with the value to the customer of the Company's performance completed to date.

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.

Basis of preparation – Continued

d. Use of estimates and judgments – Continued

Discount rate used to determine the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) as it relates to each specific subsidiary to measure lease liabilities. The IBR is the rate of interest that each entity in the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.
The Group estimates the IBR using the following steps:

Step 1: Reference rate: This is generally a government bond reflecting risk-free rate. Repayment profile was considered when aligning the term of the lease with the term for the source of the reference rate.

Step 2: Financing spread adjustment: Use credit spreads from debt with the appropriate term by considering Company's stand-alone credit rating or similar Company credit rating.

Step 3: Lease specific adjustment: Use of market yield for the leased assets, as an additional data point and to check the overall IBRs calculated.

Re-assessment of useful lives and residual values

The Group carries its PPE at cost less accumulated depreciation and impairment 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.

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 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.

Basis of preparation – Continued

d. Use of estimates and judgments – Continued

Provision for expected credit losses of trade receivable

The company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating).

The provision matrix is initially based on the Company's historical observed default rates. The company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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 2021. 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

3. Significant accounting policies - continued

a. Basis of Consolidation - continued

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 derecognizes 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 recognized at fair value.

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 the profit or loss.

3. Significant accounting policies - continued

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 gains or losses 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 the 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 Group 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 the profit or loss as incurred.

Depreciation

Depreciation is recognised in the 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.

3. Significant accounting policies - continued

c. Property, plant and equipment - continued

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 software 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.

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 the 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

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. Transaction cost of a financial asset measured at fair value through profit or loss is recognized as profit or loss.

3. Significant accounting policies - continued

f. Financial Instruments - continued

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,

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.
Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss
- equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

3. Significant accounting policies - continued

f. Financial Instruments - continued

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.
- 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.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortised cost includes trade 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 the 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.

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.

3. Significant accounting policies - continued

f. Financial Instruments - continued

ii. Non-derivative financial liabilities.

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.

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.

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.

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 asset

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.

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.

3. Significant accounting policies - continued

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.

i. 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 the 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.

j. 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.

k. Revenue from customers from contract

The group is involved in aviation cargo, aircraft handling, crew and passenger transportation service delivery and power distribution. Revenue from contract with customer is recognized when controls of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in an exchange for those goods and services.

3. Significant accounting policies - continued

k. Revenue from customers from contract- Continued

Passenger and Aircraft Handling services

The performance obligation is satisfied overtime and payment is generally due upon completion and received by the customers.

Cargo Handling services

These are contracts with customers with respect to cargo handling services and the performance is satisfied overtime and payment is generally due upon completion and received by the customers.

l. Finance income and expense

Finance income comprise of interest on funds invested. Finance costs comprise interest expense on borrowings, exchange differences on financial instruments, lease liabilities 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.

m. 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 on a straight- line basis. Fair values are determined at the end of the reporting period and disclosed.

n. 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.

o. Fair value measurement

The group measures financial instruments 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.

3. Significant accounting policies - continued

o. Fair value measurement - continued

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.

p. 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 equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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.

3. Significant accounting policies - continued

q. Policy on Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lease

The Group applies a single recognition and measurement approach for all leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right of use of assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, plus any accrued lease liabilities or prepayments. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office building 15-20 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (2) Impairment of non-financial assets.

II. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include only fixed payments.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

III. Short term leases

The Group applies the short-term lease recognition exemption to its short-term leases of properties (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

3. Significant accounting policies - continued
q. Policy on Leases - continued
III. Short term leases - continued

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in other income in the statement of profit or loss due to its nature. 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.

Group as a lessee

The Group has lease contracts for various land and buildings used in its operations. Leases of land and buildings generally have lease terms between 15 to 20 years.The Group's obligations under its leases are secured by the lessor's title to the leased assets. Most of these lease contracts contain extension and termination options which have been considered in the non-cancellabe period of the lease.

r. Government Grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the period that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

4. Changes in accounting policies and disclosures
a. Standards and interpretations effective for the first time for 31 December 2021 year end

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.

The amendments provide temporary relief which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

4. Changes in accounting policies and disclosures - continued

a. Standards and interpretations effective for the first time for 31 December 2021 year end - continued

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. - continued

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessi ons arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.

The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Group has not received Covid-19-related rent concessions but plans to apply the practical expedient if it becomes applicable within allowed period of application.

b. Standards and interpretations issued not yet effective

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 January 2021 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the Group's audited financial statements.

4. Changes in accounting policies and disclosures - continued

b. Standards and interpretations issued not yet effective - continued

IFRS 17- Insurance Contract

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

4. Changes in accounting policies and disclosures - continued
b. Standards and interpretations issued not yet effective - continued

Reference to the Conceptual Framework IV Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use - Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Company.

4. Changes in accounting policies and disclosures - continued

b. Standards and interpretations issued not yet effective - continued

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments is not applicable to the Company.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity PDFfirst applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group.

4. Changes in accounting policies and disclosures - continued

b. Standards and interpretations issued not yet effective - continued

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures.

Amendments to IAS 12 - Deferred Tax related to Assets and liabilities arising from a Single Transaction

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendment clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense), This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendment is effective for annual periods beginning on or after 1 January 2023.

The Group is currently evaluating the impact this amendment would have on its financial statements.

5. Revenue

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

Revenue from Contracts with Customer	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Passenger/aircraft handling	4,351,312	2,560,313	4,078,635	2,560,313
Cargo handling (Import Cargo)	4,495,718	3,444,231	4,194,685	3,254,738
Cargo handling (Export Cargo)	571,357	397,484	571,357	397,484
	9,418,387	6,402,028	8,844,677	6,212,535
Revenue other than from contracts with customers				
Leasing / Disinfection, other services	336,492	353,695	336,492	196,072
Equipment rental and maintenance	477,795	370,398	477,795	370,398
	814,287	724,093	814,287	566,470
Total revenue	10,232,674	7,126,121	9,658,964	6,779,005

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

5. Revenue -continued

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

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

Leasing: The company is into the leasing of properties and heavy-duty equipment to different Airline companies

b. Ten major customers contributed N3.6billion (2020: N2.33billion) towards the revenue of the Group.

6. Other income

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Rental income from investment property (Note 30.1)	72,351	179,245	72,351	143,148
Sundry income**	104,762	160,199	40,422	146,396
Unrealized exchange gain	20,153	156,180	20,153	156,003
Profit on disposal of property, plant and equipment	63,333	2,063	63,333	2,418
Income from training services	5,070	1,000	5,070	1,000
Invoice price variance	2,413	6,513	2,413	6,513
Grants*	-	76,067	-	76,067
	268,082	581,267	203,812	531,545

* This is the financial supports received by the Group from the Federal Government of Nigeria during the year to cushion the impact of COVD-19 on the Group's operation.

** Sundry income relates to commission received, agents' registration fees and insurance claims

7. Finance income and expense calculated using effective interest method

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Finance income:				
Interest income on bond reserve (Note 17)	-	3,149	-	3,149
Interest income on debt instrument	-	48,377	-	48,377
Interest income on fixed & bank deposits	51,391	35,127	51,391	35,127
Interest income on Treasury bills	7,940	-	7,940	-
	59,331	86,653	59,331	86,653

Interest expense on financial liabilities measured at amortized cost

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Interest on bond (Note 28)	-	7,982	-	7,982
Other bond charges (Note 17)	-	6,987	-	6,987
Interest cost on lease liabilities (Note 28a)	187,096	188,495	177,113	176,768
	-	-	-	
Finance costs	187,096	203,464	177,113	191,737
Net finance costs	(127,765)	(116,811)	(117,782)	(105,084)

The above finance income and expenses relate to transactions on financial assets and liabilitie through statement of profit or loss and other comprehensive income.

8. Taxation

a. The tax charge for the period comprises:

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Company income tax	190,142	145,315	189,391	124,424
Police Trust fund	29	-	29	-
Education tax	47,352	26,465	47,351	24,815
Prior year under provision	5,427	157,742	5,427	157,742
	-------------	-------------	-------------	-------------
	242,950	329,522	242,198	306,981
Deferred tax (Note 8c)	(89,710)	(270,374)	(79,104)	(269,161)
	-------------	-------------	-------------	-------------
	153,240	59,148	163,094	37,820
	=======	=======	=======	=======

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

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	782,670	508,921	745,803	486,933
Charge for the year (Note 8a)	242,950	329,522	242,198	306,981
Payments made during the year	(58,572)	(55,773)	(30,243)	(48,111)
Witholding tax offset	(5,383)	-	-	-
	--------------	-------------	-------------	-------------
At 31 December	961,665	782,670	957,758	745,803
	=======	=======	=======	=======

8. Taxation - continued

Reconciliation between tax expense and the product of accounting profit for the year ended 31 December 2021 is as follows:

	Group		Company	
Accounting profit before income tax	860,440	361,279	742,824	329,642
At Nigeria's statutory income tax rate of 30% (2020: 30%)	222,847	108,383	222,847	98,892
Education tax	47,351	26,465	47,351	24,816
Balancing charge	-	1,071	-	1,071
Non-deductible expenses	382,781	304,006	382,781	288,583
Non-taxable income	(37,403)	(15,417)	(37,403)	(15,238)
Under provision in the previous year	5,427	157,742	5,427	157,742
Capital Allowance unabsorbed	(468,545)	(523,102)	(457,938)	(518,046)
Police Trust Fund	29	-	29	-
Minimum tax	753	-	-	-
Income tax expense reported in the profit or loss	153,240	59,148	163,094	37,820
Effective tax rate (%)	18	16	22	11

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

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	805,416	1,075,790	804,267	1,073,428
Credit for the year	(89,710)	(270,374)	(79,104)	(269,161)
At 31 December	715,706	805,416	725,163	804,267

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

8. Taxation - continued

c. The movement on the deferred tax liability during the year was as follows: - continued

Group

	Statement of Financial Position		Statement of Comprehensive Income	
	2021 ₦'000	2020 ₦'000	2021 ₦'000	2020 ₦'000
Property, plant and equipment	1,706,945	1,672,018	34,927	338,296
Unrealised exchange gain	(102,214)	(82,564)	(19,650)	1,109
Capital Allowance unutilized	(501,645)	(381,621)	(120,024)	(256,063)
Financial asset impairment	(222,509)	(256,063)	33,554	(353,716)
Right of use	212,857	228,918	(16,061)	-
Lease Liability	(358,445)	(375,272)	16,827	-
Provision for share of profit	(16,820)	-	(16,820)	-
Stock adjustment provision	(2,463)	-	(2,463)	-
	---------------	--------------	-------------	------------
Deferred tax expense			(89,710)	(270,374)
			======	======
Deferred tax liabilities	715,706	805,416		
	======	======		

Company

	Statement of Financial Position		Statement of Comprehensive Income	
	2021 ₦'000	2020 ₦'000	2021 ₦'000	2020 ₦'000
Property, plant and equipment	1,703,404	1,667,334	36,070	339,195
Unrealised exchange (gain)/ loss	(93,456)	(56,779)	(36,677)	931
Capital Allowance absorbed	(510,403)	(407,584)	(102,819)	(610,515)
Impairment on financial assets	(209,511)	(252,552)	43,041	1,228
Right of use	212,857	227,683	(14,826)	-
Lease Liability	(358,445)	(373,835)	15,390	-
-				
Provision for share of profit	(16,820)	-	(16,820)	-
Stock Adjustment provision	(2,463)	-	(2,463)	-
	---------------	---------------	-------------	-------------
Deferred tax expense			(79,104)	(269,161)
			======	======
Deferred tax liabilities	725,163	804,267		
	======	======		

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

9. a. Operating costs

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
Payroll	4,041,326	2,892,447	4,005,791	2,873,975
Local travels	1,035	3,519	1,035	1,031
Depreciation, amortization (Note 9d)	892,348	876,245	885,060	863,962
Diesel, oil, motor repairs & fuel	265,650	99,430	264,969	99,430
Trainings (internal and external)	74,134	30,514	73,203	30,274
Outstation and estacode allowances	12,660	2,274	12,310	1,940
Air ticket (local and foreign)	3,914	12,979	3,537	8,615
Other security expenses	-	6,207	-	6,207
Machineries and equipment spares	216,642	120,801	216,642	120,801
Boots, helmets, ear muff etc.	74,439	4,712	44,633	2,356
Computer consumables and network	19,634	60,068	19,003	60,068
Electricity	94,947	55,003	93,759	55,003
Insurance	82,461	85,700	80,499	85,637
Printing and stationeries	30,246	12,284	29,157	8,567
Subscriptions	38,895	12,336	38,191	12,265
Relocation expenses (staff & equipment)	36,895	14,650	36,895	14,650
Office and warehouse maintenance	68,967	24,468	68,967	24,468
Airlines surcharge		1,510		1,510
Bank charges	18,982	19,732	17,710	18,534
Office expenses	4,897	8,498	2,100	2,254
Freights	313	6,923	313	6,923
Concession expenses*	510,662	357,485	510,662	357,485
Maintenance	11,658	6,083	10,208	6,083
Short term lease	12,804	7,544	2,730	7,544
Other operating costs**	375,529	102,241	278,555	22,390
	6,889,038	4,823,653	6,695,929	4,691,972

* Concession expenses is a percentage of revenue based on concession agreement reached

** Other operating costs consist of warehouse expenses, clearing charges etc.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

9. b. Administrative expenses:

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Payroll costs	1,017,753	1,060,250	936,572	972,134
Directors' remuneration	40,451	36,000	38,250	36,000
Board expenses	262,142	234,873	232,165	232,385
Local travels	2,983	3,353	1,550	271
Depreciation/amortization (Note 9d)	171,165	123,318	147,110	97,984
Diesel, oil motor repairs and fuel	30,027	22,317	28,043	21,861
Trainings (internal and external)	89,275	21,885	88,335	21,825
Outstation and estacode allowances	23,352	13,816	20,171	13,816
Hotel accommodation	35,021	27,087	35,021	27,087
Air ticket (local and foreign)	9,490	17,523	8,897	17,523
Outsourced security	50,576	50,649	49,676	49,114
Other security expenses*	36,307	13,233	35,075	12,987
Machineries and equipment spares	1,739	35,770	1,739	35,770
Boots, Helmets, ear muff etc.	25,078	47,196	24,097	45,547
Computer consumables and network	41,368	48,787	39,081	48,533
Electricity	41,086	13,000	41,086	13,000
Insurance	16,870	17,578	15,900	16,682
Printing and stationeries	35,545	38,351	34,092	38,146
Audit fees	18,000	18,000	14,000	14,000
Donation	3,643	1,300	3,643	1,300
Assets written off	2,260	-	2,260	-
Office and warehouse maintenance	38,130	22,906	37,798	22,607
Filling, company secretariat Fees	6,987	5,221	6,987	5,221
Advertisement	6,605	13,041	6,605	13,041
Corporate social responsibility and Corporate gifts	32,079	46,765	31,774	46,765
Public relations, business promotion and Business development	194,797	104,158	183,497	98,526
Subscriptions	47,523	28,440	47,523	27,083
Professional fees **	92,677	188,801	91,924	188,427
Other administrative expenses***	183,445	114,122	136,826	68,101
	2,556,374	2,367,740	2,339,697	2,185,736

*Other security expenses consist of FAAN securities and access fees

***Other administrative expenses consist of Cleaning & Fumigation, Staff Uniform & Coverall, bank Charges, donations, telephone etc

**Professional fees are analyzed as follows.

9. b. Administrative expenses:- continued

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Consulting fees	18,404	151,576	17,650	151,202
Registrar's fees	13,333	7,396	13,333	7,396
Legal fees	1,508	26,303	1,508	26,303
Accounting fees	59,432	3,526	59,433	3,526
	92,677	188,801	91,924	188,427

Ernst and Young does not render any other service besides the provision of audit services to the Group

9. c. Expected credit losses/write-back

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Expected credit loss (write-back)/ expense on trade receivable (Note 31)	(12,970)	51,518	(45,056)	43,178
Expected credit loss write-back on intercompany (Note 21a)	-	-	(3,978)	(32,021)
Expected credit loss expense/(write back) on short term deposit (Note 22a)	5,348	(15,818)	5,232	(15,246)
Expected credit loss expense on treasury bill (Note 22c)	10,346	2,205	10,346	2,205
	2,724	37,905	(33,456)	(1,884)

9. d. Depreciation and Amortization

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Depreciation of property, plant and equipment (Note 11)	909,299	901,788	886,607	872,504
Amortisation of intangible assets (Note 14)	13,588	17,901	13,503	17,816
Depreciation of investment property (Note 15)	82,639	3,604	82,639	3,604
Depreciation of right-of-use asset (Note 12&13)	57,987	76,270	49,421	68,021
	1,063,513	999,563	1,032,170	961,945
Depreciation and amortization allocation:				
Operating Costs	892,348	876,245	885,060	863,962
Administrative expenses	171,165	123,318	147,110	97,984
	1,063,513	999,563	1,032,170	961,946

10. Basic earnings per share

The calculation of basic earnings per share at 31 December 2021 was based on the earnings attributable to ordinary shareholders of N743.18million (2020: earnings of N291.504million) Company: 2021: N579.73million and (2020: N291.82million) and on ordinary shares of 1,624,218,750 of 50k each being the average number of ordinary shares in issue during the year.

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Profit attributable to ordinary shareholders	743,189	291,504	579,730	291,822
	======	======	======	======
Average number of ordinary shares	1,624,218	1,624,218	1,624,218	1,624,218
Basic/diluted earnings per share (Kobo)	46	18	36	18
	===	===	===	===

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 2020	50,218	3,249,782	8,406,243	576,630	1,512,050	489,020	47,686	14,331,629
Additions	-	96,069	1,261,096	45,099	69,880	36,895	-	1,509,039
Disposals	-	-	(9,474)	(46,928)	(860)	(331)	-	(57,593)
At 31 December 2020	50,218	3,345,851	9,657,865	574,801	1,581,070	525,584	47,686	15,783,075
Additions	-	14,521	372,177	15,049	16,187	24,898	20,834	463,666
Disposals	-	-	(250,308)	-	-	(2,552)	-	(252,860)
Transfer	-	19,725	-	-	-	-	(19,725)	-
Write-off	-	-	-	-	-	-	(2,260)	(2,260)
At 31 December 2021	50,218	3,380,097	9,779,734	589,850	1,597,257	547,930	46,535	15,991,621
DEPRECIATION:								
At 1 January 2020	7,908	529,682	4,963,118	388,242	1,304,916	433,049	-	7,626,915
Charge for the year	1,000	82,454	628,434	72,665	86,799	30,486	-	901,788
Disposals	-	-	(9,469)	(24,154)	(280)	(83)	-	(33,986)
At 31 December 2020	8,908	612,136	5,582,033	436,753	1,391,435	463,452	-	8,494,717
Charge for the year	1,000	75,122	668,146	74,006	57,001	34,024	-	909,299
Disposals	-	-	(249,732)	-	-	(2,461)	-	(252,193)
At 31 December 2021	9,908	687,258	6,000,447	510,759	1,448,436	495,015	-	9,151,823
NET BOOK VALUE:								
At 31 December 2021	40,310	2,692,839	3,779,287	79,091	148,821	52,915	46,535	6,839,798
At 31 December 2020	41,310	2,733,715	4,075,832	138,048	189,635	62,132	47,686	7,288,358

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
COST:								
At 1 January 2020	50,218	3,161,667	7,616,691	521,278	1,497,060	431,455	47,686	13,326,055
Additions	-	96,069	1,261,096	29,401	68,559	36,796	-	1,491,921
Disposal	-	-	(9,474)	(15,878)	(280)	(331)	-	(25,963)
At 31 December 2020	50,218	3,257,736	8,868,313	534,801	1,565,339	467,920	47,686	14,792,013
Additions	-	14,521	369,805	15,049	14,034	24,808	20,834	459,051
Disposal	-	-	(250,308)	-	-	(2,552)	-	(252,860)
Transfer		19,725	-	-	-	-	(19,725)	-
Write-Off	-	-	-	-	-	-	(2,260)	(2,260)
At 31st December 2021	50,218	3,291,982	8,987,810	549,850	1,579,373	490,176	46,535	14,995,944
DEPRECIATION:								
At 1 January 2020	7,908	521,838	4,211,047	367,981	1,293,693	409,306	-	6,811,773
Charge for the year	1,000	80,692	621,245	60,300	84,602	24,665	-	872,504
Disposals	-	-	(9,469)	(15,098)	(54)	(83)	-	(24,704)
At 31 December 2020	8,908	602,530	4,822,823	413,183	1,378,241	433,888	-	7,659,573
Charge for the year	1,000	73,360	661,582	67,463	54,967	28,235	-	886,607
Disposals	-	-	(249,732)	-	-	(2,461)	-	(252,193)
At 31 December 2021	9,908	675,890	5,234,673	480,646	1,433,208	459,662	-	8,293,987
NET BOOK VALUE:								
At 31 December 2021	40,310	2,616,092	3,753,137	69,204	146,165	30,514	46,535	6,701,957
At 31 December 2020	41,310	2,655,206	4,045,490	121,618	187,098	34,032	47,686	7,132,440

11. Property, plant and equipment – Company-continued

None of the items of PPE has been pledged for securities for liabilities during the year. (2020; Nil)

12. Right-of-use assets- Group

	Building	Total
Cost:	₦'000	₦'000
At 1 January 2020	903,637	903,637
Additions	-	-
	------------	------------
At 31 December 2021	903,637	903,637
Additions	-	-
	-----------	-----------
31 December 2021	903,637	903,637
	------------	-----------
Depreciation:		
At 1 January 2020	71,827	71,827
Charge for the year	76,270	76,270
	----------	-----------
At 31 December 2020	148,097	148,097
Charge for the year	57,987	57,987
	----------	-----------
At 31 December 2021	206,084	206,084
	=======	=======
Net Book Value:		
31 December 2021	697,553	697,553
	======	======
31 December 2020	755,540	755,540
	=======	=======

10. Right-of-use assets- Company

	Building	Total
Cost;	₦'000	₦'000
At 1 January 2020	894,987	894,987
Additions	-	-
	------------	------------
At 31 December 2020	894,987	894,987
Additions	-	-
	-----------	-----------
At 31 December 2021	894,987	894,987
	------------	-----------
Depreciation		
1 January 2020	68,021	68,021
Charge for the year	68,021	68,021
	-----------	-----------
At 31 December 2020	136,042	136,042
Charge for the year	49,421	49,421
	-----------	-----------
At 31 December 2021	185,463	185,463
	======	=======
Net Book Value		
31 December 2021	709,524	709,524
	======	=======
31 December 2020	758,945	758,945
	=======	=======

11. Right of use- Continued

Short term leases

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
Office rent	12,804	7,544	2,730	7,544
	======	======	=====	=====

14. Intangible assets

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
Cost:				
At 1 January	441,756	440,906	347,284	347,284
Additions	-	850	-	-
	------------	------------	------------	------------
At 31 December	441,756	441,756	347,284	347,284
	------------	------------	------------	------------
Amortization:				
At 1 January	310,582	292,681	310,497	292,681
Amortization for the year	13,588	17,901	13,503	17,816
	------------	------------	------------	------------
At 31 December	324,169	310,582	324,000	310,497
	------------	------------	------------	------------
Carrying amount:				
At 31 December	117,587	131,174	23,284	36,787
	=======	=======	======	======

Intangible assets consist of the software the group uses in processing all its transactions

15. Investment property

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
Cost:				
At 1 January	172,640	172,640	172,640	172,640
Additions	245,776	-	245,776	-
	------------	------------	------------	------------
At 31 December	418,416	172,640	418,416	172,640
	------------	------------	------------	------------
Depreciation:				
At 1 January	39,330	35,726	39,330	35,726
Charge for the year	82,639	3,604	82,639	3,604
	------------	------------	------------	------------
At 31 December	121,969	39,330	121,969	39,330
	======	======	======	======
Carrying amounts				
At 31 December	296,447	133,310	296,447	133,310
	=======	=======	=======	=======

The fair value of the investment property at 31 December 2021 was N676million (2020: N665m). Total rental revenue from the investment property for the year ended 31 December 2021 was N72.4million (2020: N143million). The fair value of the properties is based on valuation performed by Jide Taiwo & Co., accredited independent valuers. Jide Taiwo & Co. FRC/12/0000000000254, is a renowned specialist in valuing these types of investment properties.

15. Investment property – Continued

	Company & Group	
	Dec-21	Dec-20
	N'000	N'000
Total Rental income from investment properties	72,351	143,148
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	(11,165)	(11,165)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	-	-
Profit arising from investment properties	61,186	131,983

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.

16. Investment in subsidiaries

	Company	
	Dec-21	Dec-20
	N'000	N'000
Shares in subsidiaries:		
Nahco FTZ Limited	10,000	10,000
Nahco Energy and Infrastructure Limited	25,500	25,500
Mainland Cargo Options Ltd	4,000	4,000
	39,500	39,500

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

i. NAHCO FTZ Limited

The company holds N10million ordinary shares of N1 each in this subsidiary, representing 100 percent of the issued share capital of N10million. 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 Infrastructure Limited

The company holds N25.5million ordinary shares of N1each in this subsidiary representing 63 percent of the issued share capital of N40.5million. 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 balances between the holding company and its subsidiaries have been eliminated on consolidation.

16. Investment in subsidiaries - continued

iii. Mainland Cargo Options Limited

The company holds 4million ordinary shares in the subsidiary representing 40% of the issued share capital of N10Million. The remaining 60% are owned by Nahco Energy and Infrastructure Limited. Consequently, the Group has 77.8% interest in Mainland Cargo Options 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 has since started operations.

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 2021 is as shown below:

Proportion of equity interests held by non-controlling interests	"Country of incorporation and Operation"	22.20%	22.20%
		31/12/2021 ₦'000	31/12/2020 ₦'000
Mainland Cargo Options Limited	Nigeria		
Non-current assets		27,750	30,391
Current assets		291,385	255,371
Total assets		319,135	285,762
Total equity		158,879	97,334
Non-controlling interest		59,015	32,787
Non-current liabilities		35,604	2,361
Current liabilities		65,637	153,278
Total equity and liabilities		319,135	285,762
Summarized Statement of comprehensive income			
		31/12/2021 ₦'000	31/12/2020 ₦'000
Revenue		301,033	189,475
Profit		127,469	51,747
Profit attributable to the owners of the company		99,003	40,207
Profit attributable to the non-controlling interests		28,426	11,540
Other Comprehensive income		-	-
Total Comprehensive income		127,469	51,747
Summary of Cashflow			
Net cashflow fromoperating activities			49,036
Net cashflow used in investing activities		(654)	(17,259)
Net cashflow from/(used in) financing activities		124,716	(1,033)

Nahco Energy and Infrastructure Limited has not commenced operations. Hence, its summary financial statements are not provided.

17. Other current assets

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
Other current assets comprise of:	₦'000	₦'000	₦'000	₦'000
Bond repayment:				
At 1 January	532	7,866	532	7,866
Interest income on bond	-	3,149	-	3,149
Other bond charges	-	(6,987)	-	(6,987)
Additions during the year	-	444,564	-	444,564
	532	448,592	532	448,592
Interest distributions	-	(10,688)	-	(10,688)
Periodic liquidation on Principal - Tranche 2	(532)	(437,372)	(532)	(437,372)
At 31 December	-	532	-	532

18. Inventories

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Spare parts	182,968	200,203	182,968	200,203
Stationeries/medical	57,867	59,156	57,867	59,156
Diesel	47,672	11,388	47,672	11,388
	288,507	270,747	288,507	270,747

Inventories recognized as an expense during 2021 amount to N97.17million (2020: N99.43million). This is recognized as part of operating costs. N36million was recognized for inventory write down during the year (2020: Nil).

19. Prepayments

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Prepayments comprise:				
Deposit for property, plant & equipment	1,929,310	979,206	1,733,117	791,513
Prepaid insurance	109,056	95,441	107,251	94,350
Prepaid Stock	154,368	155,418	154,368	155,419
Others*	49,598	79,190	27,695	53,900
	2,242,332	1,309,255	2,022,431	1,095,182

Amount deposited for assets are largely made up of assets paid for but yet to be delivered at the end of the year.
* others include payment for HMO, Annual dues/subscriptions.

20. Trade and other receivables

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Trade and other receivables comprise:				
Trade receivables (Note 31)	2,324,376	2,141,145	2,141,863	1,946,315
Less Allowance for expected credit losses (Note31)	(737,495)	(844,902)	(686,303)	(825,797)
	1,586,881	1,296,243	1,455,560	1,120,518
Withholding tax receivable	1,087,110	855,288	1,059,682	837,450
Other receivables	374,311	391,426	377,065	382,344
	3,048,302	2,542,957	2,892,307	2,340,312

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

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

21. Intercompany receivables

	Company	
	Dec-21 ₦'000	Dec-20 ₦'000
Nahco FTZ Limited	181,014	166,107
NAHCO Energy and Infrastructure Limited	420,760	420,760
Mainland Cargo Options	19,366	42,639
	621,140	629,506
Less allowance for expected credit loss (Note 32)	(11,864)	(15,842)
	609,276	613,664

21. a. Allowance for expected credit losses of Intercompany receivables

	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	15,842	47,863
Credit losses write back (Note 9c)	(3,978)	(32,021)
At 31 December	11,864	15,842

Intercompany receivables are funding assistance provided to subsidiaries to finance operations. The fund is repayable on demand and attracts no interest. Intercompany receivables are eliminated in the consolidated financial statements of the Group.

21. b. 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:

		Payments on behalf of related parties ₦'000	Rent/ service charge ₦'000	Amounts due from related parties ₦'000
Nahco FTZ Limited	2021	-	14,997	14,997
	2020	-	166,107	166,107
NAHCO Energy and Infrastructure Limited	2021	-		-
	2020	-		-
Mainland Cargo Options	2021		(23,273)	(23,273)
	2020	-	42,639	42,639

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 financial statements.

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, NAHCO FTZ and a 63% In NAHCO Energy, 40% direct shareholding and 37% indirect shareholding in MCO.

Key Management Personnel (KMP)

Key management personnel are those who have authority and responsibility for planning, directing and controlling activities in the Group 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 subsidiaries: 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 in the year ended 31 December 2021 (2020 : Nil).

Loans to Directors

The group did not lend money to any of its Directors during the year under review (2020: None).

Payments on behalf of key management personnel (KMP):

There were no payments made on behalf of the KMPs during the year ended 31 December 2021. (2020: Nil)

Key management personnel compensation:

Variable pay is applicable to Executive Directors and other Senior Management personnel. A total of N17 million (2020: N20million) is deferred subject to performance conditions of the Group and individuals.

21. b. Related party transactions - continued

Key management personnel compensation for the year comprised:

	Group		Company	
	2021	2020	2021	2020
Aggregate No. of persons- Snr Mgt.	10	12	8	8
Aggregate No. of persons- Non-Exec. Directors.	10	11	9	8
Other Members		-		-
Total	20	23	17	16

	Group		Company	
	2021	2020	2021	2020
	₦'000	₦'000	₦'000	₦'000
Short-term employee benefits- Fixed	149,069	149,069	136,321	136,321
Short-term employee benefits- Variable	41,856	88,069	33,960	7,896
Total	190,925	237,138	170,281	144,217

The following are the related parties of the Group;

1. Key management personnel of NAHCO Plc 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.

Entity with control by the Company

NAHCO FTZ Limited
NAHCO Energy and Infrastructure Limited
Mainland Cargo Options.

22. Cash and cash equivalents

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Bank and cash balances	671,491	191,332	535,937	156,365
Domiciliary accounts	227,458	275,319	223,137	270,507
Short term deposits (Note 32)	1,661,826	369,119	1,591,043	308,649
	2,560,775	835,770	2,350,117	735,521
Allowances for Expected credit losses on short-term deposits (Note 22a)	(5,589)	(241)	(5,435)	(203)
Net cash and cash equivalents	2,555,186	835,529	2,344,682	735,318

Included in short term deposits is the investment placement for unclaimed dividend as at 31 December 2021.

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

22. a. Allowances for expected credit losses of short-term deposit

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	241	16,059	203	15,449
Credit loss expenses (Note 9c)	5,348	(15,818)	5,232	(15,246)
At 31 December	5,589	241	5,435	203

22. b. Debt Instrument at Amortized costs

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	487,431	187,168	487,431	187,168
Liquidation	(487,431)	(187,168)	(487,431)	(187,168)
Purchase of treasury Bill	368,628	487,431	368,628	487,431
Allowances for expected credit losses On treasury bills	(12,745)	(2,399)	(12,745)	(2,399)
At 31 December	355,883	485,032	355,883	485,032

This relates to the Group's investment in Federal Government of Nigeria treasury bills issued by the Central Bank of Nigeria.

22. c. Expected credit loss of debt instrument at amortized cost

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	2,399	194	2,399	194
Credit losses expenses (Note 9c)	10,346	2,205	10,346	2,205
At 31 December	12,745	2,399	12,745	2,399

23. Share capital

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
1,624,218,750 called-up and fully paid ordinary shares of 50 kobo each	812,109	812,109	812,109	812,109

All shares rank equally with regard to the Group'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 Group.

24. Share premium

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
At 31 December	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

The directors will propose 41k dividend for FY 2021 at the next Annual General Meeting (2020:12.5 kobo)
The dividend is subject to approval by the shareholders at the Annual General Meeting. Consequently, it has not been included as a liability in these consolidated financial statements.
Refer to Note 26b for details relating to dividend.

26. Retained earnings

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	3,836,380	4,032,142	3,872,548	4,067,992
Dividend paid (Note 26b)	(203,027)	(487,266)	(203,027)	(487,266)
Total comprehensive income for the year	743,189	291,504	579,730	291,822
At 31 December	4,376,542	3,836,380	4,249,251	3,872,548

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

26. b. Changes in liabilities arising from financing activities

	1 January 2021 ₦'000	Dividend declared ₦'000	Cash flows ₦'000	31 December 2021 ₦'000
Dividend declared and paid	-	203,027	(203,027)	-
Unclaimed dividend (29.1)	625,567	-	(47,461)	578,106
Total liabilities from financing activities	625,567	203,027	(250,488)	578,106

	1 January 2020 ₦'000	Dividend declared ₦'000	Cash flows ₦'000	31 December 2020 ₦'000
Dividend declared and paid		487,266	(487,266)	-
Unclaimed dividend (29.1)	566,606	-	58,961	625,567
Total liabilities from financing activities	566,606	487,266	(428,305	625,567

26. c. Dividend Per share

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Dividend approved and paid	203,027	487,266	203,027	487,266
Number of shares in issue	1,624,218	1,624,218	1,624,218	1,624,218
Dividend Per share (kobo)	0.125	0.30	0.125	0.30

27. Non-controlling interests

	Group	
Group	Dec-21 ₦'000	Dec-20 ₦'000
At 1 January	(113,398)	(124,025)
Share of current year profit	28,426	10,627
At 31 December	(84,972)	(113,398)

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

28. Loans and borrowings

	Group		Company	
	₦'000	₦'000	₦'000	₦'000
Unsecured at amortised cost:				
At 1 January	-	440,168	-	440,168
Interest expense	-	7,892	-	7,892
Part Liquidation	-	(437,372)	-	(437,372)
Interest paid	-	(10,688)	-	(10,688)
At 31 December	-	-	-	-

28. a. Lease Liabilities-

Group

Cost	Building 2021	Building 2020
	₦'000	₦'000
At 1 January	1,245,275	1,078,294
Accretion of interest	187,096	188,495
Interest payment	(57,268)	(4,303)
Principal payment	(187,928)	(17,211)
As at 31 December	1,187,175	1,245,275
	₦'000	₦'000
Current	23,414	53,195
Non-current	1,163,761	1,192,080
	1,187,175	1,245,275

Company Cost	Building 2021	Building 2020
	₦'000	₦'000
At 1 January	1,246,116	1,075,614
Accretion of interest	177,113	176,768
Interest payment	(89,829)	(1,420)
Principal payment	(138,585)	(4,846)
As at 31 December	1,194,815	1,246,116
	₦'000	₦'000
Current	21,314	51,402
Non-current	1,173,501	1,194,714
	1,194,815	1,246,116

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

28. a. Lease Liabilities- Continued - continued

The following are the amounts recognized in the profit or loss:

	2021 Group ₦'000	2021 Company ₦'000
Depreciation expense of right-of-use assets (Note 12&13)	57,987	49,421
Short term leases(Note 9a)	12,804	2,730
Interest expense on lease liabilities (Note 28a)	187,096	177,113
Total Amount recognized in the profit or loss	257,887	229,264

	2020 Group ₦'000	2020 Company ₦'000
Depreciation expense of right-of-use assets (Note 12)	76,270	68,021
Short term leases (Note 9a)	7,544	7,544
Interest expense on lease liabilities (Note 28a)	188,495	176,768
Total Amount recognized in the profit or loss	272,309	252,333

29. Trade and other payables

Trade and other payables comprise:

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Trade payables	2,059,662	1,975,455	2,017,233	1,875,798
Other payables (Note 29.1)	3,374,504	2,436,711	3,347,751	2,349,312
	5,434,166	4,412,166	5,364,984	4,225,110

29. Other payables

	Group		Company	
	Dec-21 ₦'000	Dec-20 ₦'000	Dec-21 ₦'000	Dec-20 ₦'000
Value Added Tax	352,282	265,490	350,266	191,528
Withholding Tax	92,004	69,366	87,980	66,454
Amount due to government agencies**	148,260	365,860	145,358	357,609
Concession fee: FAAN rental & service charge	756,030	342,336	756,030	342,336
Directors' retirement***	211,146	135,000	211,146	135,000
Industrial training fund	236,615	202,035	236,615	202,035
Staff participatory scheme****	59,687	26,728	59,687	26,728
Performance bonus*****	233,374	200,283	230,474	200,283
Unclaimed dividend (29.1.1)	578,106	625,567	578,106	625,567
Other accruals*	707,000	204,046	692,089	201,772
	3,374,504	2,436,711	3,347,751	2,349,312

* Other accruals includes; Provision for non-accident bonus, insurance claim payable, Provision for year-end gift, Provision for Legal fees, deposit for services, agent welfare fees etc.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

29. 1. Other payables - continued

** This represents PAYE payable to some states of the federation as well as FCT and the National Housing Scheme

*** This represents provision for Directors' retirement as approved by the board

**** This represents Staff share of Profit for the year

***** This represents bonus payable to staff subject to performance conditions of the Company/Group and individual

29. 1.1 Unclaimed dividend

Unclaimed dividend amounting to N578.11million (2020: N625.57million) represents the funds returned to the Group by the Registrars. This amount has been invested by the Group.

30. Deferred income-

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
Rent (Note 30.1)	124,446	57,058	64,960	21,058
NEPC Grant(Note 30.2)	1,000,000	-	1,000,000	-
	1,124,446	57,058	1,046,960	21,058

30. 1. Deferred income- Rent

	Group		Company	
At 1 January	57,058	70,157	21,058	26,057
Rent received during the year	139,739	166,146	116,253	138,149
Amount released to the profit or loss	(72,351)	(179,245)	(72,351)	(143,148)
At 31 December	124,446	57,058	64,960	21,058

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

30. 2. Deferred income- Grant

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
NEPC Grant *	1,000,000	-	1,000,000	-

* In its drive to promote exportation of goods in Nigeria the Federal Government through the Nigerian Export Promotion Council (NEPC) gives grant to company engaging in exportation of goods to create jobs. The amount represents the grant of N1b received during the year from NEPC to build five warehouses for exportation in Lagos, Abuja, Kano and Port Harcourt. As at the year end, the Group has commenced the clearing of the land in preparation for the building of the warehouses in all the four locations

31. Allowance for expected credit losses expenses

The aging of trade receivables at the reporting date was:

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
Current (1- 30 days)	826,302	459,888	818,099	456,828
31-90 days	82,077	342,674	57,292	191,648
91-180 days	315,784	97,696	194,778	82,169
More than 180 days	1,100,213	1,240,887	1,071,694	1,215,670
	2,324,376	2,141,145	2,141,863	1,946,315
Expected credit loss (Note32)	(737,495)	(844,902)	(686,303)	(825,797)
	1,586,881	1,296,243	1,455,560	1,120,518

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

	Group		Company	
	Dec-21	Dec-20	Dec-21	Dec-20
	₦'000	₦'000	₦'000	₦'000
At 1 January	844,902	793,384	825,797	782,619
Expected credit losses write back	(12,969)		(45,056)	-
Derecognition of asset	(94,438)	-	(94,438)	
Express credit losses	-	51,518	-	43,178
At 31 December	737,495	844,902	686,303	825,797

The expected credit loss 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 recognized 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. Expected credit loss on trade receivables is recognized in Statement of profit or loss and other comprehensive income.

32. Financial Risk Management objectives and policies

Overview

The Group's principal financial liabilities comprise 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

32. Financial Risk Management objectives and policies - continued

Overview - continued

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 counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The sources of the Group's credit risk include trade receivables, intercompany receivables and deposits with banks and financial institutions and investments in debt instrument.

Trade receivables

Customer credit risk is managed by credit managers and management as a whole subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of the customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any deliveries to major customers are generally covered by valid customer order. Customer backgrounds are studied to avoid concentration risk.

Deposits with banks and other financial institutions

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis throughout the year, subject to approval of the Group's Finance Committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through potential counterparty's failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position is it's carrying amount.

Trade receivables

For trade receivables, the Group applied the simplified approach in computing ECL. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss (ECL). The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

When trade receivables are uncollectible, it is written off as 'administrative expenses' in the profit or loss. Subsquent recoveries of amounts previously written off are included in other operating income.

32. Financial Risk Management objectives and policies – Continued

Set out below is the information about the credit risk exposure on the Group's trade receivables as at 31 December 2021 using a provision matrix:

The Group
31 December 2021

	Trade receivables Days past due							
	Current	1 - 30 days	31 – 90 days	91-120 days	121 - 180 days	181-360 days	After360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	0.82%	1.21%	4.18%	4.84%	9.7%%	13.28%	68.33%	
Estimated total gross carrying amount at default	651,463	214,699	101,816	77,870	96,865	279,471	902,192	2,324,376
Expected credit losses	15,684	5,081	2,424	1,873	4,184	10,382	697,867	737,495

The Company
31 December 2021

	Current	1 - 30 days	31 – 90 days	91-120 days	121 - 180 days	181-360 days	After360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	2.40%	2.40%	2.51%	3.13%	3.13%	3.13%	71%	
Estimated total gross carrying amount at default	651,463	166,636	57,292	59,422	59,932	237,681	870,335	2,141,863
Expected credit loss	15,684	4,014	1,442	1,862	3,103	7,447	652,751	686,303

32. Financial Risk Management objectives and policies – Continued

The Group 31 December 2020				Trade receivables Days past due				
	Current	1 - 30 days	31 – 90 days	91-120 days	121 – 180 days	181-360 days	After 360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	0.82%	1.21%	4.18%	4.84%	9.7%%	13.28%	68.33%	
Estimated total gross carrying amount at default	530,291	68,800	83,815	77,870	96,865	98,075	1,185,429	2,141,145
Expected credit losses	4,370	832	3,503	3,769	9,396	13,024	810,008	844,902

The Company 31 December 2020								
	Current	1 - 30 days	31 – 90 days	91-120 days	121 – 180 days	181-360 days	After 360 days	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Expected credit loss rate	0.95%	1.02%	1.39%	4.85%	4.85%	13.28%	71%	
Estimated total gross carrying amount at default	456,828	45,734	60,041	77,670	72,169	98,075	1,135,798	1,946,315
Expected credit loss	4,370	469	835	3,773	3,505	13,030	799,815	825,797

32. Financial Risk Management objectives and policies – Continued

Expected credit loss measurement - other financial assets

The Group applied the general approach in computing expected credit losses (ECL) for intercompany receivables (non-trade), and cash and bank balances. The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). "

The ECL is determined by projecting the Probability of default, Loss given Default (LGD) and Exposure at default (EAD) for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The 12-month and Lifetime PDs are derived by mapping the internal rating grade of the obligors to the PD term structure of an external rating agency for all asset classes. The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type. The assumptions underlying the ECL calculation – such as how the maturity profile of the PDs, etc. – are monitored and reviewed on a regular basis. There have been no significant changes in estimation techniques or significant assumptions made during the reporting period. The significant changes in the balances of the other financial assets including information about their impairment allowance are disclosed below respectively.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The reconciliation of these balances are as stated above."

Analysis of inputs to the ECL model under multiple economic scenarios

An overview of the approach to estimating ECLs is set out in Note 2d Significant accounting judgements, estimates and assumptions. To ensure completeness and accuracy, the Group obtains the data used from third party sources (Central Bank of Nigeria, Standards and Poor's etc.) and a team of expert within its credit risk department verifies the accuracy of inputs to the Group's ECL models including determining the weights attributable to the multiple scenarios. The Group used GDP growth, oil price and inflation as key drivers in computing expected credit loss and also as assumptions for the Group's base case estimate, ECLs based on the base case, plus the effect of the use of multiple economic scenarios as at 31 December 2021.

32. Financial Risk Management objectives and policies – Continued

An analysis of ECL allowances is as follows:

	Group 2021			Company 2021			
	Short-term deposits	Treasury bills	Total	Intercompany receivables	Short term deposits	Treasury bills	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Upside (10%)	559	1,274	1,833	1,186	543	1,274	3,003
Base (80%)	4,471	10,197	14,668	9,492	4,349	10,197	24,038
Downside (10%)	559	1,274	1,833	1,186	543	1,274	3,003
	5,589	12,745	18,334	11,864	5,435	12,745	30,044

Reconciliation of Gross amount of Treasury bills

	Group 2021		Company 2021	
Internal grading system	Stage 1 individual	Total	Stage1 individual	Total
Treasury bills	₦'000	₦'000	₦'000	₦'000
Gross carrying amount as at 1 January	487,431	487,431	487,431	487,431
New assets originated or purchased Note 22b)	368,628	368,628	368,628	368,628
Assets derecognised or repaid (excluding write offs) (Note 22b)	(487,431)	(487,431)	(487,431)	(487,431)
Gross carrying amount as at 31 December	368,628	368,628	368,628	368,628

32. Financial Risk Management objectives and policies – Continued

Reconciliation of Expected credit loss for the treasury bill	Group		Company	
	Stage 1	2021	Stage1	2021
Internal grading system	Individual	Total	Individual	Total
Impairment allowance for treasury bills	₦'000	₦'000	₦'000	₦'000
ECL allowance as at 1 January		2,399	2,399	2,399
2,399				
New assets originated or purchased (Note 22b)	12,745	12,745	12,745	12,745
Assets derecognised or repaid (excluding write offs) (Note 22b)	(2,399)	(2,399)	(2,399)	(2,399)
ECL allowance as at 31 December	12,745	12,745	12,745	12,745

Intercompany receivables		The Company	
		2021	2021
		Stage 1	
		Individual	Total
		₦'000	₦'000
Gross carrying amount at 1 January		629,506	629,506
New assets originated or purchased (Note 21)	-	-	
Assets derecognised or repaid (excluding write offs)		(8,366)	(8,366)
Gross carrying amount at 31December		621,140	621,140
Expected credit losses for intercompany receivables			
ECL allowance at 1 January		15,842	15,842
New assets originated or purchased (Note 21a)		-	-
Assets derecognised or repaid (excluding write offs)		(3,978)	(3,978)
ECL allowance at 31 December		11,864	11,864

32. Financial Risk Management objectives and policies – Continued

Short term deposits

		The Group 2021 Stage 1 individual ₦'000	The Group 2021 Total ₦'000	The Company 2021 Stage 1 individual ₦'000	The Company 2021 Total ₦'000
Gross carrying amount at 1 January		369,119	369,119	308,649	308,649
New assets originated or purchased (Note 22)	1,661,826	1,661,826	1,591,043	1,591,043	
Assets derecognised or repaid (excluding write offs)		(369,119)	(369,119)	(308,649)	(308,649)
Gross carrying amount at 31December		1,661,826	1,661,826	1,591,043	308,649

Expected credit loss allowance for short term deposits

	The Group Individual 2021 ₦'000	The Group Total 2021 ₦'000	The Company Individual 2021 ₦'000	The Company Total 2021 ₦'000
ECL allowance at 1 January 2021	241	241	203	203
New assets originated or purchased (Note 22a)	5,589	5,589	5,435	5,435
Assets derecognised or repaid (excluding write offs)	(241)	(241)	(203)	(203)
ECL allowance at 31 December	5,589	5,589	5,435	5,435

31 December 2020

	Group 2020 Short term deposit ₦'000	Group 2020 Treasury bills ₦'000	Group 2020 Total ₦'000	Company 2020 Intercompany receivables ₦'000	Company 2020 Short term deposit ₦'000	Company 2020 Treasury bills ₦'000	Company 2020 Total ₦'000
Upside (10%)	24	240	264	1,584	20	240	1,844
Base (80%)	193	1,919	2,112	12,674	163	1,919	14,756
Downside (10%)	24	240	264	1,584	20	240	1,844
	241	2,399	2,640	15,842	203	2,399	18,444

32. Financial Risk Management objectives and policies – Continued

Expected credit loss on treasury bills	The Group 2020		The Company 2020	
	Stage 1 individual	Total	Stage 1 individual	Total
Treasury bills	₦'000	₦'000	₦'000	₦'000
Gross carrying amount at 1 January	187,168	187,168	187,168	187,168
New assets originated or purchased (Note 22b)	487,431	487,431	487,431	487,431
Assets derecognised or repaid (excluding write offs)	(187,168)	(187,168)	(187,168)	(187,168)
	487,431	487,431	487,431	487,431

Expected credit loss for treasury bills	2020 Stage 1 Individual	Total	2020 Stage 1 Individual	Total
	₦'000	₦'000	₦'000	₦'000
ECL allowance at 1 January	194	194	194	194
New assets originated or purchased (Note 22c)	2,399	2,399	2,399	2,399
Assets derecognised or repaid (excluding write offs)	(194)	(194)	(194)	(194)
ECL allowance as at 31 December	2,399	2,399	2,399	2,399

32. Financial Risk Management objectives and policies - continued

Intercompany receivables	Company 2021 Stage 1 ₦'000	Company 2021 ₦'000
Gross carrying amount at 1 January	630,621	630,621
New assets originated or purchased	1,544	1,544
Assets derecognised or repaid (excluding write offs)	(2,659)	(2,659)
Gross carrying amount at 31 December	629,506	629,506

Expected credit losses on intercompany receivables

	Company 2021 Stage 1 Individual ₦'000	Company 2021 Total ₦'000
ECL allowance at 1 January	47,863	47,863
New assets originated or purchased	-	-
Assets derecognised or repaid (excluding write offs)	(32,021)	(32,021)
ECL allowance at 31 December	15,842	15,842

32. Financial Risk Management objectives and policies – Continued

Short term deposits

	Group 2020		Company 2020	
	Stage 1 individual	Total	Stage 1 individual	Total
	₦'000	₦'000	₦'000	₦'000
Gross carrying amount at 1 January	1,103,209	1,103,209	1,088,210	1,088,210
New assets originated or purchased (Note 22)	369,119	369,119	308,649	308,649
Assets derecognised or repaid (excluding write offs)	(1,103,209)	(1,103,209)	(1,088,210)	(1,088,210)
Gross carrying amount at 31 December	369,119	369,119	308,649	308,649

Expected credit losses on short term deposit

	Group 2020		Company 2020	
	Stage 1 individual	Total	Stage 1 individual	Total
	₦'000	₦'000	₦'000	₦'000
ECL allowance at 1 January	16,059	16,059	15,449	15,449
New assets originated or purchased	241	241	203	203
Assets derecognised or repaid (excluding write offs)	(16,059)	(16,059)	-(15,449)	(15,449)
ECL allowance at 31 December	241	241	203	203

32. Financial Risk Management objectives and policies - continued

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.

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

Group

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2021						
Trade and other payables*	-	-	4,989,880	-	-	4,989,880
Lease Liability			21,314	1,173,501	-	1,194,815
	-	-	5,011,194	1,173,501	-	6,184,695

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2020						
Trade and other payables*	-	-	4,077,310	-	-	4,077,310
Lease Liability			104,264	1,004,456	2,032,021	3,140,741
	-	-	4,181.574	1,004,456	2,032,021	7,218,051

*Withholding tax and VAT payables are not financial instrument. Hence they have been excluded from trade and other payables.

32. Financial Risk Management objectives and policies - continued

Company

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2021						
Trade and other payables*	-	-	5,026,738	-	-	5,026,738
Lease Liability			51,402	1,194,714	-	1,246,116
	-	-	5,078,140	1,194,714		6,272,854

	On demand ₦'000	Less than 3 months ₦'000	3 to 12 months ₦'000	1-5 years ₦'000	> 5 years ₦'000	Total ₦'000
Year ended 31 December 2020						
Trade and other payables*	-	-	3,967,128	-	-	3,967,128
Lease Liability			273,238	1,113,943	2,474,153	3,861,334
Total	-	-	4,240,366	1,113,943	2,474,153	7,828,462

*Withholding tax and VAT payables are not financial instrument. Hence they have been excluded from trade and other payables.

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.

Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to this risk as it does not have a floating interest-bearing loan and borrowing in its books

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.

32. Financial Risk Management objectives and policies - continued

Foreign currency sensitivity- continued

		Foreign currency Balances ₦'000	Change in USD rate ₦'000	Effect on profit before tax
2021	Trade and Payable	1,029,813	5%	30,719
	Cash and bank balances	415,425	-5%	(30,719)
2020	Cash and balances	890	5%	5
			-5%	(5)
			Change in EURO rate	Effect on profit before tax ₦'000
2021	Cash and balances	512	5%	26
			-5%	(26)
2020	Cash and bank balances	1	5%	-
			-5%	-
			Change in POUNDS rate	Effect on profit before tax ₦'000
2021	Cash and bank balances	116	5%	
			-5%	(6)
2020	Cash and bank balances	0.27	5%	-
			-5%	-

Transactions in foreign currencies other than US dollars were not significant

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

	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2021			
Cash and cash equivalents (Note 22)	2,560,775	-	2,560,775
Trade and other receivables (Note 20)*	1,961,192	-	1,961,192
Debt instruments at amortized costs (Note 22b)	368,628	-	368,628
Total financial assets	4,885,658	-	4,885,658
Trade & other payables (Note 29)*	4,989,880	-	4,989,880
Lease liability (Note 28)	1,187,175	-	1,187,175
Total financial liabilities	6,177,055	-	6,177,055

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

32. Financial Risk Management objectives and policies - continued

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

Group	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2020			
Cash and cash equivalents (Note 22)	835,529	-	835,529
Trade and other receivables (Note 20)*	1,687,669	-	1,687,669
Debt instruments at amortized costs (Note 22b)	487,431	-	487,431
Total financial assets	3,010,629	-	3,010,629
Trade & other payables (Note 29)*	4,077,310	-	4,077,310
Lease liability (Note 28a)	1,245,275	-	1,245,275
Total financial liabilities	5,322,585	-	5,322,585

Company	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2021			
Cash and cash equivalents (Note 22)	2,350,117	-	2,350,117
Debt instrument at amortized cost (Note 22b)	368,628		368,628
Trade and other receivables (Note 20)*	1,832,625	-	1,832,625
Intercompany receivables (Note 21)	609,276	-	609,276
Total financial assets	5,160,646	-	5,160,646
Trade & Other payables (Note 29)*	5,026,738	-	5,026,738
Loans and borrowings (Note 28)	-	-	-
Lease liability (Note 28a)	1,194,815		1,194,815
Total financial liabilities	6,221,553	-	6,221,553

Company	Amortised cost ₦'000	Fair value ₦'000	Carrying amount ₦'000
At 31 December 2020			
Cash and cash equivalents (Note 22)	735,521	-	735,521
Debt instrument at amortized cost (Note 22b)	487,431		487,431
Trade and other receivables (Note 20)*	1,502,862	-	1,502,862
Intercompany receivables (Note 21)	613,664	-	613,664
Total financial assets	3,336,876	-	3,336,876
Trade & Other payables (Note 29)*	3,967,128	-	3,967,128
Lease liability (Note 28a)	1,246,116		1,246,116
Total financial liabilities	5,213,244	-	5,213,244

32. Financial Risk Management objectives and policies - continued

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

*Withholding tax/VAT receivables and payables are not financial instrument. Hence they have been excluded from trade and other receivables and trade and other payables

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, loans and borrowings less cash and cash equivalents.

	Group		Company	
	Dec 2021 ₦'000	Dec 2020 ₦'000	Dec 2021 ₦'000	Dec 2020 ₦'000
Trade and other payables (Note 29)	5,434,166	4,412,166	5,364,984	4,225,110
Less cash and bank balance (Note 22)	(2,560,775)	(835,770)	(2,350,117)	(735,521)
Net debt	2,873,391	3,576,396	3,014,867	3,489,589
Equity	7,018,437	6,449,849	6,976,118	6,599,415
Capital and net debt	9,891,828	10,026,249	9,990,985	10,089,004
Gearing ratio (%)	29	36%	30	35%

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 2021 and 31 December 2020.

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	
	Dec 21 ₦'000	Dec 20 ₦'000	Dec 21 ₦'000	Dec 20 ₦'000
Financial liabilities:				
Interest bearing loans and borrowings	-	-		-
Leases	1,187,175	1,245,275	1,056,586	1,135,691
Total	1,187,175	1,245,275	1,056,586	1,135,691
Financial assets:				
Trade receivables	2,324,376	2,141,145	2,141,863	1,946,315
Total	2,324,376	2,141,145	2,141,863	1,946,315

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.

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

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

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data
As at 31 December 2021 and 31 December 2020, the Group's financial instruments carried on the statement of financial position are measured at amortized cost as such, level 3 has been used for their fair value determination.

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 2021:

	31-Dec-21 ₦'000	Level 1 ₦'000	Level 2 ₦'000	Level 3 ₦'000
Asset for which fair value are disclosed (Note 13):				
Investment property				676,000

Description of valuation techniques used and key inputs to valuation on investment properties

Valuation technique	*Significant unobservable inputs*	*Range (weighted average)* 2021	2020
Investment/ income approach	*Total net lettable space*	3,260m2	3,260m2
	Estimated rental value per sqm per year	N 92,000	N 82,000
	Rent growth p.a.	6%	6%
	Contingencies at effective gross rent	15%	20%
	Management and Maintenance cost per annun per rent	10%	10%

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

The below shows the sensitivity of the carrying amounts to the methods, assumptions and estimates underlying investment property valuation.

Valuation technique	*Significant unobservable inputs*	Increase/(decrease) in inputs	Effect on fair value Increase/(decrease) 2021 ₦'000	2020 ₦'000
Investment/ income approach	*Estimated rental value per sqm per year*	N 5,000/sqm	86,564/ (86,564)	86,564/ (86,564)
	Rent growth p.a.	1%	109,679/ (109,679)	109,679/ (109,679)
	Contingencies at effective gross rent	5%	(99,894)/ 87,693	(99,894)/ 79,243
	Management and Maintenance cost per annun per rent	5%	(89,727)/ 100,230	(67,549)/ 94,897

Description of valuation techniques used and key inputs to valuation on investment properties- continued

The investment/income approach centers around the thesis that the value is "the present worth of future right to income". It looks only to property's future income as may be reasonably be anticipated during the estimated economic life of the property.

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 theterminal value anticipated at the end of the projection period, is then discounted.

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

35. Revenue

An analysis of the entity's revenue is as follows:

	2021 ₦'000	2020 ₦'000
Ground Handling	4,351,312	2,560,313
Cargo Handling	5,067,075	3,841,715
Others	814,287	724,093
	10,232,674	7,126,121

35. a. 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 Officer for the purpose of decision making.

NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - continued

35. Revenue continued

35. a. Segment reporting - cintunued

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.

36. b. Segment revenue and results

Segment revenue	Revenue N'000	Cost of sales N'000	Profit N'000
31 December 2021			
Ground Handling	4,909,501	3,582,300	1,327,201
Cargo Handling	4,845,378	3,100,067	1,745,311
Others	477,795	206,671	271,124
	10,232,674	6,889,038	3,343,636
31 December 2020			
Ground Handling	2,914,008	(2,508,300)	405,708
Cargo Handling	3,841,715	(2,170,644)	1,671,071
Others	370,398	(144,709)	225,689
	7,126,121	(4,823,653)	2,302,468

35. c. 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.

35.d. 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;

	2021 Numbers	2020 Numbers
Operations	1,406	1,374
Administration	123	134
	---------	---------
	1,529	1,508
	=====	=====

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

Naira	2021 Numbers	2020 Numbers
Less than1,000,000	0	76
1,000,001-1,500,000	588	684
1,500,001-2,500,000	722	610
2,500,001-3,500,000	178	107
3,500,001-6,000,000	23	10
6,000,001-8,500,000	10	14
Above 8,500,000	8	7
	---------	---------
	1,529	1,508
	=====	=====

Directors mix	2021 Numbers	2020 Numbers
Executive	3	3
Non-Executive	9	8
	-----	-----
	12	11
	===	===
	₦'000	₦'000
Highest paid Director	75,000	75,000
	======	=====

37. Contingent liabilities

There are pending lawsuits for and against the Company in various courts of law. The law suits are being handled by external legal counsel. The contingent liabilities in respect of pending litigations and claims amounted to 2021: N66.4million (2020: N135million) No provision has been made in the financial statements for the claims. In the opinion of the Directors and based on legal advice, the Group's liability is not likely to be significant.

38. Capital commitments

The group did not have any capital commitments as at 31 December 2021.(2020:Nil)

39. Events after the reporting date

A dividend in respect of the year ended 31 December 2021 of 41k per share, amounting to N665 million (2020; N203 million was proposed at the board meeting held on 29 March 2022 and subject to the approval at the Annual General Meeting.

In addition, the Directors recommended a script issue of (1) for every five (5) shares held by the existing shareholders as fully paid-up shares amounting to N162 million (Gross of withholding tax) to be capitalised from retained earnings. These financial statements do not reflect these dividend payable and script issue. The company is not also impacted by Covid 19 Pandemic

There were no any after the reporting date events which could have had a materials effect on the state of affairs of the Group as at 31 December 2021 and on the profit for the year ended on that date which have not been adequately provided for or recognised.

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	Group 2021 ₦'000		Group 2020 ₦'000		Company 2021 ₦'000		Company 2020 ₦'000	
Revenue	10,232,674		7,126,121		9,658,964		6,779,005	
Other income	268,082		581,267		203,812		531,545	
Finance income	59,331		86,653		59,331		86,653	
	10,560,087		7,794,041		10,071,379		7,397,203	
Bought in materials & service	(3,122,516)		(1,789,772)		(2,973,881)		(1,580,503)	
	7,437,571		6,004,269		7,097,498		5,816,700	
Applied as follows:								
To pay employees and directors		%		%		%		%
Salaries, wages, pensions and related costs	5,059,079	68	3,952,697	66	4,942,363	67	3,846,109	66
To providers of capital:								
Finance cost	187,096	3	203,464	3	177,113	5	191,737	3
Dividend	203,027	3	487,266	8	203,027	3	487,266	8
Government:								
Income tax expenses	242,950	3	329,522	6	242,198	3	306,981	6
Asset replacement:								
Depreciation and amortization	1,063,513	14	999,563	17	1,032,170	15	961,945	17
Deferred taxation-	(89,709)	(1)	(270,374)	(5)	(79,103)	(1)	(269,161)	(5)
Retained profit	771,615	10	302,131	5	579,730	8	291,822	5
	7,437,571		6,004,269	100	7,097,498		5,816,700	100

The value added represents the wealth created through the Company's assets by its own and its employees' efforts. This statement shows the allocation of wealth created amongst employees, government and that retained for future creation of wealth

FIVE-YEAR FINANCIAL SUMMARY - GROUP

FOR THE YEAR ENDED 31 DECEMBER 2021

GROUP	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
Statement of Profit or Loss					
Revenue	10,232,674	7,126,121	9,996,145	9,775,515	7,926,152
Profit before tax	924,855	361,279	1,340,503	503,237	600,011
Income tax	(153,240)	(59,148)	(623,304)	(306,443)	175,756
Profit after tax	771,615	302,131	717,199	196,794	775,767
Statement of Financial Position					
Non-current assets	7,951,385	8,308,382	7,821,663	6,454,876	6,868,053
Current assets	8,490,210	5,444,052	6,887,838	5,890,994	5,394,018
Total assets	16,441,595	13,752,434	14,709,501	12,345,870	12,262,071
Non-current liabilities	1,879,467	1,997,496	1,992,304	1,155,249	1,619,017
Current liabilities	7,543,691	5,305,089	6,082,213	4,866,781	3,872,281
Total liabilities	9,423,158	7,302,585	8,074,517	6,022,030	5,491,298
Financed by:					
Share capital	812,109	812,109	812,109	812,109	812,109
Share Premium	1,914,758	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings & NCI	4,291,570	3,722,982	3,908,117	3,596,973	4,043,906
Total equity	7,018,437	6,449,849	6,634,984	6,323,840	6,770,773
Total equity and liabilities	16,441,595	13,752,434	14,709,501	12,345,870	12,262,071

FIVE-YEAR FINANCIAL SUMMARY - COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2021

COMPANY	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
Statement of Profit or Loss					
Revenue	9,658,964	6,779,005	9,570,197	9,109,644	7,565,763
Profit before tax	742,824	329,642	1,040,114	299,754	509,563
Income tax	(163,094)	(37,820)	(603,746)	(290,048)	178,339
Profit after tax	579,730	291,822	436,368	9,706	687,902
Statement of Financial Position					
Non-current assets					
Non-current assets	7,770,712	8,100,982	7,572,265	6,857,111	6,730,372
Current assets	8,513,086	5,540,787	6,987,037	5,961,973	5,916,375
Total assets	16,283,798	13,641,769	14,559,302	12,819,084	12,646,747
Non-current liabilities	1,898,664	1,998,981	1,988,966	1,153,261	1,618,587
Current liabilities	7,409,016	5,043,373	5,775,477	4,901,277	3,631,958
Total liabilities	9,307,680	7,042,354	7,764,443	6,054,538	5,250,545
Financed by:					
Share capital	812,109	812,109	812,109	812,109	812,109
Share premium	1,914,758	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	4,249,251	3,872,548	4,067,991	4,037,679	4,669,335
Total equity	6,976,118	6,599,415	6,794,858	6,764,546	7,396,202
Total equity and liabilities	16,283,798	13,641,769	14,559,302	12,819,084	12,646,747

NAHCO PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2021 AND 2020

2021 and 2020 Monthly Total Flight Analysis by Location

Location:	MMIA			MMA2		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	394	705	-44%	614	881	-30%
Feb	354	596	-41%	577	849	-32%
Mar	383	439	-13%	601	805	-25%
Apr	381	15	2440%	583		0%
May	392	16	2347%	636		0%
Jun	398	26	1431%	647	2	32238%
Jul	476	68	600%	795	236	238%
Aug	502	86	487%	937	422	122%
Sep	497	133	275%	862	479	80%
Oct	508	212	139%	919	451	104%
Nov	496	272	82%	918	477	92%
Dec	530	386	37%	977	650	50%
	5,308	2,953	80%	9,064	5,249	73%

Location:	CARGO RAMP			PHC		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	208	184	13%	125	303	-59%
Feb	192	162	19%	112	268	-58%
Mar	244	190	28%	120	221	-46%
Apr	273	153	78%	137	1	13600%
May	263	178	48%	199	1	19800%
Jun	257	243	6%	198	10	1880%
Jul	274	270	1%	225	93	142%
Aug	266	246	8%	149	149	0%
Sep	236	223	6%	280	145	93%
Oct	218	204	7%	277	143	94%
Nov	250	241	4%	282	125	126%
Dec	240	260	-8%	342	150	128%
	2,921	2,554	14%	2,446	1,609	52%

NAHCO PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2021 AND 2020

2021 and 2020 Monthly Total Flight Analysis by Location - Continued

Location:	ABUJA			KANO		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	885	1,223	-28%	163	297	-45%
Feb	852	1,189	-28%	168	277	-39%
Mar	838	1,079	-22%	137	486	-72%
Apr	796	18	4322%	125	1	12400%
May	738	31	2281%	183	-	0%
Jun	873	45	1840%	223	3	7333%
Jul	978	369	165%	266	131	103%
Aug	1,112	605	84%	247	167	48%
Sep	1,096	766	43%	220	201	9%
Oct	1,164	734	59%	263	181	45%
Nov	1,200	727	65%	254	153	66%
Dec	1,606	995	61%	278	168	65%
	12,138	7,781	56%	2,527	2,065	22%

Location:	UYO			KADUNA		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	43	72	-40%	36	32	13%
Feb	22	62	-65%	27	27	0%
Mar	-	55	-100%	8	30	-73%
Apr	-	-	0%	-	-	0%
May	-		0%	1		0%
Jun	1		0%	13		0%
Jul	-	34	-100%	23	27	-15%
Aug	-	4	-100%	26	25	4%
Sep	-	-	0%	22	27	-19%
Oct	-	-	0%	27	27	0%
Nov	-		0%	24	26	-8%
Dec	-	44	-100%	32	36	-11%
	66	271	-76%	239	257	-7%

Location:	ENUGU			OWERRI		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	78	-	0%	138	312	-56%
Feb	117	-	0%	135	245	-45%
Mar	147	-	0%	164	204	-20%
Apr	132	-	0%	150	1	14900%
May	144	-	0%	123	3	4000%
Jun	152	-	0%	115		0%
Jul	150	-	0%	115	78	47%
Aug	129		0%	123	139	-12%
Sep	127	55	131%	101	144	-30%
Oct	152	77	97%	120	126	-5%
Nov	154	68	126%	114	135	-16%
Dec	157	70	124%	134	159	-16%
	1,639	270	507%	1,532	1,546	-1%

NAHCO PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2021 AND 2020

2021 and 2020 Monthly Total Flight Analysis by Location - Continued

Location:	MAIDUGURI			YOLA		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	31	30	3%	49	48	2%
Feb	28	29	-3%	44	49	-10%
Mar	14	27	-48%	48	48	0%
Apr	-	-	0%	49	-	0%
May	16		0%	52		0%
Jun	30		0%	54		0%
Jul	29	17	71%	60	13	362%
Aug	31	28	11%	58	48	20%
Sep	30	30	0%	56	43	30%
Oct	31	30	3%	60	39	54%
Nov	30	26	15%	60	38	58%
Dec	29	30	-3%	63	44	42%
	299	247	21%	652	370	557%

Location:	Kebbi			GAT		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	14	13	8%	301	520	-42%
Feb	12	11	9%	266	433	-39%
Mar	8	12	-33%	287	439	-35%
Apr	4	-	0%	334	1	33250%
May	14		0%	346		0%
Jun	24		0%	358	6	5858%
Jul	26	3	767%	370	194	91%
Aug	14	13	8%	420	296	42%
Sep	14	13	8%	366	329	11%
Oct	13	13	0%	438	334	31%
Nov	25	13	92%	394	323	22%
Dec	27	13	108%	515	349	47%
	195	104	88%	4,393	3,224	36%

Location:	Gombe			Akure		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	31	12	158%	50	45	11%
Feb	13	12	8%	52	46	13%
Mar	5	11	-55%	62	54	15%
Apr	-	-	0%	61	1	6000%
May	1	-	0%	65	-	0%
Jun	12		0%	63		0%
Jul	13	-	0%	65	-	0%
Aug	13	11	18%	72	8	800%
Sep	13		0%	90	42	114%
Oct	13	13	0%	92	26	254%
Nov	13	13	0%	98	4	2350%
Dec	12	13	-8%	110	49	124%
	139	85	64%	880	275	220%

NAHCO PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2021 AND 2020
2021 and 2020 Monthly Total Flight Analysis by Location - Continued

Location:	Benin			Asaba		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	12	16	-25%	12	11	9%
Feb	9	11	-18%	11	9	22%
Mar	3	14	-79%	2	16	-88%
Apr	-	-	0%	-	-	0%
May	-		0%	-		0%
Jun	-		0%	-		0%
Jul	-	-	0%	-	-	0%
Aug	-	8	-100%	-		0%
Sep	-	13	-100%	-	10	-100%
Oct	-	10	-100%	-	13	-100%
Nov	-	11	-100%	-	12	-100%
Dec	-	15	-100%	-	13	-100%
	24	98	-76%	25	84	-70%

Location:	Katsina			Osubi		
Month	2021	2020	% Change (+increase/-decrease)	2021	2020	% Change (+increase/-decrease)
Jan	9	-	0%	-	-	0%
Feb	8	-	0%	-	-	0%
Mar	15	-	0%	-	-	0%
Apr	12	-	0%	-	-	0%
May	13	-	0%	-	-	0%
Jun	16	-	0%	-	-	0%
Jul	18	-	0%	-	-	0%
Aug	15	-	0%	36	-	0%
Sep	13	-	0%	62	-	0%
Oct	14	-	0%	72	-	0%
Nov	13	9	44%	66	-	0%
Dec	14	13	8%	68	-	0%
	160	22	627%	304	-	0%

Location:	Flight Frequenccy Summary		
Month	2021	2020	% Change (+increase/-decrease)
Jan	3,193	4,704	-32%
Feb	2,999	4,275	-30%
Mar	3,085	4,130	-25%
Apr	3,036	191	1490%
May	3,185	229	1291%
Jun	3,433	335	925%
Jul	3,883	1,533	153%
Aug	4,149	2,254	84%
Sep	4,085	2,653	54%
Oct	4,380	2,633	66%
Nov	4,390	2,672	64%
Dec	5,133	3,457	49%
	44,950	29,064	55%

NAHCO PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2021 AND 2020
2021 and 2020 Monthly Total Flight Analysis by Location - Continued

Location:	CARGO - LAGOS			CARGO - PHC		
Month	2021	2020	% Change (+increase/- decrease)	2021	2020	% Change (+increase/- decrease)
Jan	4,287,766	4,639,878	-8%	36,037	231,226	-84%
Feb	4,132,507	3,770,750	10%		228,880	-100%
Mar	5,896,372	3,952,585	49%	-	186,784	-100%
Apr	5,777,707	695,044	731%		3,454	-100%
May	5,152,715	2,385,925	116%		43,720	-100%
Jun	5,568,006	3,339,418	67%	55,994	46,457	21%
Jul	5,363,787	4,088,952	31%	15,982	1,156	1283%
Aug	5,706,186	3,766,581	51%	34,774	-	0%
Sep	4,614,165	4,175,192	11%	48,143	15,783	205%
Oct	4,106,850	3,358,742	22%	95,991	-	0%
Nov	5,085,382	5,564,535	-9%	162,643	-	0%
Dec	5,336,898	6,040,808	-12%	45,029	46,943	-4%
	61,028,339	45,778,410	33%	494,593	804,403	-39%

Location:	CARGO - ABUJA			CARGO - KANO		
Month	2021	2020	% Change (+increase/- decrease)	2021	2020	% Change (+increase/- decrease)
Jan	218,034	167,305	30%	169,933	497,352	-66%
Feb	286,700	247,135	16%		383,613	-100%
Mar	307,934	182,861	68%	366,977	314,128	17%
Apr	314,535	45,486	591%	291,632	82,390	254%
May	192,208	169,659	13%	266,881	8,050	3215%
Jun	364,827	285,270	28%	191,404	49,542	286%
Jul	295,014	231,606	27%	150,218	131,851	14%
Aug	400,371	321,804	24%	198,206	89,502	121%
Sep	265,051	318,178	-17%	125,268	49,253	154%
Oct	374,391	289,050	30%	159,189	62,222	156%
Nov	450,412	237,466	90%	108,946	75,941	43%
Dec	406,538	276,250	47%	55,624	113,856	-51%
	3,876,013	2,772,070	40%	2,084,279	1,857,700	12%

Location:	ENUGU		
Month	2021	2020	% Change (+increase/- decrease)
Jan		-	0%
Feb			0%
Mar	-		0%
Apr		-	0%
May			0%
Jun			0%
Jul		-	0%
Aug		-	0%
Sep			0%
Oct	46,202	-	0%
Nov	67,174		0%
Dec	15,328	-	0%
	128,704	-	0%

NAHCO PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2021 AND 2020

2021 and 2020 Monthly Total Flight Analysis by Product

Lagos Cargo 2020

Month	IMPORT	EXPORT	COURIER	COA	TOTAL
JANUARY	675,259	438,777	46,964	4,639,878	5,800,877
FEBRUARY	2,355,281	879,029	485,237	51,203	3,770,750
MARCH	2,830,917	661,882	364,403	95,383	3,952,585
APRIL	556,587	-	99,447	39,010	695,044
MAY	1,585,594	494,593	262,603	43,135	2,385,925
JUNE	2,244,573	629,783	361,144	103,918	3,339,418
JULY	2,731,502	761,190	464,362	131,898	4,088,952
AUGUST	2,372,111	1,035,820	246,800	111,849	3,766,581
SEPTEMBER	3,132,838	1,128,543	180,543	116,482	4,558,407
OCTOBER	2,208,876	922,666	137,055	90,145	3,358,742
NOVEMBER	4,158,435	1,224,218	116,826	65,056	5,564,535
DECEMBER					
TOTAL	24,851,975	8,176,501	2,765,384	5,487,956	41,281,815

Lagos Cargo 2021

Month	IMPORT	EXPORT	COURIER	COA	TOTAL
JANUARY	3,367,673	650,029	199,785	70,280	4,287,766
FEBRUARY	2,862,965	1,024,396	199,395	45,750	4,132,507
MARCH	4,378,445	1,174,665	303,399	39,862	5,896,372
APRIL	4,234,637	1,255,947	238,605	48,518	5,777,707
MAY	3,701,207	1,192,332	213,687	45,490	5,152,715
JUNE	3,961,462	1,305,446	268,048	33,050	5,568,006
JULY	3,924,297	1,176,888	236,393	26,208	5,363,787
AUGUST	4,519,278	1,336,638	242,681	240,939	6,339,536
SEPTEMBER	3,531,045	1,263,135	207,978	50,469	5,052,626
OCTOBER	3,210,689	1,286,195	133,313	152,425	4,782,622
NOVEMBER	3,648,540	1,256,856	153,260	26,726	5,085,382
DECEMBER	4088156.06	1057442	165121.85	26177.68	5336897.59
TOTAL	45,428,392	13,979,969	2,561,668	805,895	62,775,924

Company wide 2020

Month	IMPORT	EXPORT	COURIER	COA	TOTAL
JANUARY	4,250,070	438,777	786,743	60,171	5,535,761
FEBRUARY	3,047,613	485,237	1,018,775	78,753	4,630,378
MARCH	3,420,993	364,403	738,980	111,981	4,636,357
APRIL	670,434	99,447	-	56,493	826,374
MAY	2,365,042	262,603	495,043	43,780	3,166,468
JUNE	2,619,477	361,144	635,365	104,702	3,720,688
JULY	3,036,602	464,362	763,928	188,673	4,453,565
AUGUST	2,737,693	246,800	1,080,011	113,382	4,177,887
SEPTEMBER	3,132,838	180,543	1,128,543	116,482	4,558,407
OCTOBER	2,534,082	137,055	945,231	93,646	3,710,014
NOVEMBER	4,434,367	116,826	1,244,438	82,311	5,877,942
DECEMBER	4,986,903	192,428	1,195,246	103,381	6,477,959
TOTAL	37,236,117	3,349,626	10,032,303	1,153,754	51,771,799

NAHCO PLC FLIGHT AND CARGO TONNAGE STATISTICS AND ANALYSIS, 2021 AND 2020
2021 and 2020 Monthly Total Flight Analysis by Product - Continued

Company wide 2021					
Month	IMPORT	COURIER	EXPORT	COA	TOTAL
JANUARY	3,721,014	719,048	199,785	71,923	4,711,770
FEBRUARY	3,129,283	1,032,317	199,395	58,211	4,419,206
MARCH	4,892,322	1,235,443	303,399	140,119	6,571,284
APRIL	4,752,298	1,288,541	238,605	104,430	6,383,874
MAY	4,142,337	1,203,400	213,687	52,381	5,611,804
JUNE	4,484,522	1,388,702	268,048	38,959	6,180,231
JULY	4,265,433	1,193,165	236,393	130,008	5,825,000
AUGUST	4,519,278	1,336,638	242,681	240,939	6,339,536
SEPTEMBER	3,531,045	1,263,135	207,978	50,469	5,052,626
OCTOBER	3,210,689	1,286,195	133,313	152,425	4,782,622
NOVEMBER	4,253,963	1,337,723	153,260	129,611	5,874,557
DECEMBER	4,511,903	1,085,317	165121.85	97,075	5,859,417
TOTAL	49,414,087	14,369,625	2,561,668	1,266,549	67,611,928

INTERNATIONAL FLIGHT INBOUND AND OUT BOUND PASSENGERS

2021			
LOCATION	**LOCATION CODE**	**PAX INBOUND**	**PAX OUTBOUND**
LAGOS	LOS	607,685	626,320
ABUJA	ABV	159,168	159,658
PORT HARCOURT	PHC	4,437	2,932
ENUGU	ENU	3,520	843
KANO	KNN	8,161	6,743
TOTAL	**TOTAL**	**782,971**	**796,496**

2020			
LOCATION	**LOCATION CODE**	**PAX INBOUND**	**PAX OUTBOUND**
LAGOS	LOS	374,765	398,470
ABUJA	ABV	99,561	100,123
PORT HARCOURT	PHC	11,249	15,769
ENUGU	ENU	-	-
KANO	KNN	10,789	10,379
TOTAL	**TOTAL**	**496,364**	**524,741**

PROXY FORM

The 41st Annual General Meeting of Nigerian Aviation Handling Company Plc (nahco aviance) will be held at Providence Hotel, Mantis Oba Akinjobi Crescent Ikeja GRA, Lagos, Nigeria on Friday, 29th July, 2022 at 11:00 am.

I/We•..being a member/members of

Nigerian Aviation Handling Company Plc hereby appoint ....

or failing him the Chairman of the meeting as my/our proxy to act and vote for me/us at the Annual General Meeting of the Company to be held on Friday 29th July 2022 and at any adjournment thereof.

Doted this __________ day of____________2022 ____

Shareholder's Signature

	Resolutions	For	Against	Abstain
1.	To lay the Audited Financial Statements for the year ended Resolutions 31st December 2021 together with the Report of the Directors, External Auditors and Audit Committee thereon.			
2.	To declare a dividend.			
3.	To elect the following Executive Directors: a. Mr. Indranil Gupta b. Dr. Peter Olusola Obabori			
4.	To re-elect the following Non-Executive Directors: a. Engr. Mohammed Gambo Umar, mni, FNSE b. Mr. Akinwumi Godson Fanimokun c. Mr. Tajudeen Moyosola Shobayo			
5.	To authorize the Directors to fix the remuneration of the External Auditors.			
6.	To disclose the remuneration of managers of the Company			
7.	To elect members of the Audit Committee.			
8.	To approve the remuneration of the Directors of the Company for the year ending December 31, 2022.			
9.	To approve recurrent related party transactions.			
10.	To declare a bonus issue 2022 in the proportion of 1 new share of 50 kobo each for every 5 existing shares of 50 kobo each.			
11.	To authorise the Directors to comply with the Companies and Allied Matters Act 2020 and the Companies Regulation 2021 as it relates to the unissued shares of the Company including the cancellation of the unissued shares.			
12.	To alter Clause 6 of the Share Capital clause of the Memorandum of Association of the Company to give effect to Resolution 11 above.			

Please indicate "X" in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

NOTES:

Please sign this form and post it to reach the address overleaf not later than 48 hours before the time of holding the meeting. If executed by a corporation, this form should be sealed with its common seal.

Shareholder's name to be inserted in BLOCK LETTERS please. In case of joint shareholders, any one of such may complete this form, but the names of all joint holders must be inserted.

In view of the COVID-19 pandemic, the Corporate Affairs Commission (CAC) has approved that the AGM be conducted by proxy. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her/its place. A proxy need not be a member of the Company. Following the normal practice, the Chairman of the meeting has been entered on the form to ensure that someone will be at the meeting to act as your proxy, but you may insert in the blank space the name of any of the following listed persons who will attend the meeting and vote on your behalf instead:

1. Dr. Seinde Oladapo Fadeni (Chairman); or
2. Sir Sunday Nnamdi Nwosu, KSS; or
3. Mrs. Adebisi Oluwayemisi Bakare

NIGERIAN AVIATION HANDLING COMPANY PLC
41ST ANNUAL GENERAL MEETING SHAREHOLDERS ADMISSION CARD

Please admit the shareholder on this form or his/her/its duly appointed proxy to the 41st Annual General Meeting to be held at Providence Hotel, Mantis Oba Akinjobi Crescent Ikeja GRA, Lagos, Nigeria on Friday, 29th July, 2022 at 11:00 am.

Name of Shareholder ....
Number of Shares Held..
Signature of Person attending...
Note: This form should be completed, signed, torn off and produced by the shareholder or his/her/its duly appointed proxy to gain entrance to the venue of the meeting.

The Registrar
CardinalStone Registrars Limited
358, Herbert Macaulay Way
Yaba, Lagos
P. O. Box 9117 Lagos,
Nigeria

MANDATE FORM

NIGERIAN AVIATION HANDLING COMPANY (nahco aviance)
Mandate for Dividend payment to banks

TO:
The Registrar,
CardinalStone Registrars Ltd.
358, Herbert Macaulay Road,
P.O. Box 9117,
Lagos

I hereby request that from now on, all my dividend warrants due to me from my holdings in Nigerian Aviation Handling Company Plc be paid directly to my bank named below:

SHAREHOLDER'S FULL NAME (Surname first) ______________________

SHAREHOLDER'S ADDRESS ______________________

SHAREHOLDER'S SIGNATURE ______________________

BANK'S NAME ______________________

BANK'S BRANCH ______________________

BANK ADDRESS ______________________

ACCOUNT NUMBER ______________________

For Banks use only

Official Stamp and Authorised Signature

	Page Number/Name

We agree to the Customer's request as stated above

NAHCO FREE ZONE
PROPOSED OFFICE COMPLEX

Nahco Free Zone, a subsidiary of nahco aviance is the first airport Free Trade Zone in Nigeria, licensed on February 20th, 2014.

Nahco Free Zone is a designated special economic zone that offers numerous incentives and procedures designed to streamline bureaucratic bottle necks, In line with the approved NEPZA guidelines, It provides a safe, secure and efficient environment for clients' cargo and other business activities

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OUR CLIENTS

- virgin atlantic
- Kenya Airways
- worldcargo solutions
- TURKISH AIRLINES
- Med-View Airline
- BTY LOGISTICS INTL. (NIGERIA)
- السعودية SAUDIA
- SA SKYWARD AVIATION
- MERCHANT EXPRESS CARGO AIRLINES LIMITED RC 368492
- MaxAir
- Lufthansa
- LANDOVER COMPANY
- KLM
- DELTA
- Emirates
- flynas طيران ناس
- Aero-Lead Limited We Can
- GREEN AFRICA AIRWAYS Welcome to the future...
- CFS LOGISTICS GROUP LLC
- DANA AIR
- CRONOS AIRLINES
- AIRFRANCE
- aero
- AZMAN AIR SERVICES LTD
- AIR PEACE ...your peace, our goal
- Allied Air CARGO
- ASKY AIRLINES
- Astra Aviation
- cargolux
- UNITED AIRLINES
- الخطوط الملكية المغربية royal air maroc
- EGYPTAIR
- DHL
- RwandAir
- QATAR AIRWAYS القطرية
- TCHADIA AIRLINES
- Ethiopian
- UNITED NIGERIA ...Flying to Unite

SERVICES:

▪ Air Freight ▪ Sea Freight ▪ Overland Transportation ▪ Warehousing & Distribution ▪ Import/Export Documentation ▪ Door to Door Service ▪ Global Logistics

MAINLAND CARGO OPTIONS LIMITED

RC 1211076

We are a Nigerian Customs Licensed Company

OFFICE ADDRESS: Ground Floor Suite, **NAHCO CARGO COMPLEX** - Murtala Muhammed Int'l Airport Ikeja, Lagos.
Tel: +234 (0) 909 920 9056. **Email:** info@mainlandcargooptions.com **Website:** www.mainlandcargooptions.com

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▪ LAGOS ▪ ABUJA ▪ ENUGU ▪ PORT HARCOURT ▪ KANO