

Nigerian Aviation Handling Company Plc
Unaudited Financial Statements 2nd Quarter ended 30 June, 2022

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Consolidated and Separate Statement of Comprehensive Income

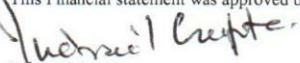
For the period ended 30th June, 2022.


	Notes	Group		Group		Company		Company	
		Jan. - Jun. 2022	Jan. - Jun. 2021	Apr. - Jun. 2022	Apr. - Jun. 2021	Jan. - Jun. 2022	Jan. - Jun. 2021	Apr. - Jun. 2022	Apr. - Jun. 2021
		N'000	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Revenue	5	6,475,240	4,712,443	3,657,599	2,508,072	6,201,961	4,467,413	3,511,103	2,379,999
Operating costs	9a	(3,828,105)	(2,957,937)	(2,033,170)	(1,490,632)	(3,742,481)	(2,886,796)	(2,030,946)	(1,451,408)
Gross Profit		2,647,136	1,754,506	1,624,429	1,017,440	2,459,480	1,580,617	1,480,157	928,591
Other Income	6	143,704	212,392	117,623	156,783	112,531	182,139	100,139	130,431
Administrative Costs	9b	(1,506,569)	(1,243,355)	(890,056)	(665,898)	(1,390,755)	(1,150,936)	(792,128)	(615,797)
Profit from operations		1,284,271	723,543	851,996	508,325	1,181,256	611,820	788,168	443,225
Finance Income	7	66,306	16,732	28,176	7,786	66,306	16,732	28,176	7,786
Finance costs	7	(94,638)	(93,880)	(47,674)	(88,199)	(88,580)	(88,533)	(44,290)	(85,526)
Expected Credit Reversal/(Losses)	9c	-	-	-	-	-	-	-	-
Profit/(Loss) before tax		1,255,939	646,395	832,498	427,912	1,158,982	540,019	772,054	365,485
Income tax expense	8(a)	(287,579)	(141,517)	(142,818)	-92,645	(260,771)	(121,504)	(173,713)	(82,234)
Profit/(loss) after tax		968,360	504,878	689,679	335,267	898,211	418,515	598,342	283,251
Other comprehensive income		-	-	-	-	-	-	-	-
Total comprehensive income		968,360	504,878	689,679	335,267	898,211	418,515	598,342	283,251
Attributable to:									
Profit/ (loss) attributable to owners of the company		960,784	492,920	674,703	329,602	898,211	418,515	598,342	283,251
Non-controlling interest	9	7,576	11,958	14,977	5,664	-	-	-	-
		968,360	504,878	689,679	335,266	898,211	418,515	598,342	283,251
Earnings per share									
Basic earnings per share (Kobo)	10	59	30	42	20	55	26	37	18
Diluted earnings per share (Kobo)	10	59	30	42	20	55	26	37	18

Consolidated and Separate Statement of Financial Position
As at 30th June, 2022

Notes	Group		Company		
	Jun. 2022	Dec. 2021	Jun. 2022	Dec. 2021	
	N'000	N'000	N'000	N'000	
Assets					
Property, plant and equipment	11	6,394,651	6,839,798	6,263,650	6,701,957
Intangible assets	12	114,170	117,587	19,912	23,284
Investment property	13	292,579	296,447	292,579	296,447
Right of use asset	11a	661,319	697,553	675,513	709,524
Investment in subsidiaries	14	-	-	39,500	39,500
Deposit for shares	14	-	-	-	-
Total non-current assets		7,462,719	7,951,385	7,291,153	7,770,712
Current assets					
Inventories	17	336,616	288,507	336,616	288,507
Trade and other receivables	19	5,969,190	3,048,302	5,741,748	2,892,307
Intercompany receivables	20	-	-	636,334	609,276
Other current assets	16	-	-	-	-
Loan to Subsidiary	16	-	-	-	-
Prepayments	18	3,053,232	2,242,332	2,781,547	2,022,431
Debt instrument at amortized value	21	(12,746)	355,883	(12,746)	355,883
Cash & cash equivalent	22	3,328,804	2,555,186	2,786,959	2,344,682
Total current assets		12,675,096	8,490,210	12,270,457	8,513,086
Total assets		20,137,815	16,441,595	19,561,611	16,283,798
Equity					
Share capital	23	812,109	812,109	812,109	812,109
Share premium	24	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	25	5,337,868	4,376,542	5,147,462	4,249,251
Total equity attributable to equity holders of the Company		8,064,735	7,103,409	7,874,329	6,976,118
Non-controlling interests	26	(77,389)	(84,972)	-	-
Total equity		7,987,346	7,018,437	7,874,329	6,976,118
Liabilities					
Loans and borrowings	27	-	-	-	-
Lease Liabilities	27b	1,276,037	1,163,761	1,283,395	1,173,501
Deferred income/revenue		-	-	-	-
Deferred tax liabilities	8C	715,707	715,706	725,164	725,163
Total non-current liabilities		1,991,744	1,879,467	2,008,559	1,898,664
Current tax liabilities	8B	1,178,704	961,665	1,173,492	957,758
Trade and other payables	28	7,798,333	5,434,166	7,440,899	5,364,984
Intercompany Payable	20	-	-	-	-
Lease Liabilities	27b	-	23,414	-	21,314
Loans & Borrowing	27	-	-	-	-
Intercompany Receivable Impairment		-	-	-	-
Deferred Income	29	1,181,688	1,124,446	1,064,333	1,064,960
Total current liabilities		10,158,726	7,543,691	9,678,724	7,409,016
Total liabilities		12,150,470	9,423,158	11,687,282	9,307,680
Total equity and liabilities		20,137,815	16,441,595	19,561,611	16,283,798

This Financial statement was approved by the Board of Directors on 28th Jul. 2022 and signed on its behalf by:


Indranil Gupta
Group Managing Director/CEO
FRC/2022/PRO/DIR/003/656485


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

Consolidated and Separate Statement of changes in Equity
For the period ended 30 June, 2022

	Attributable to equity holders of the Group					
	Share Capital	Share Premium	Retained Earnings	Total	Non-controlling Interest	Total Equity
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
As at 1 January 2022	812,109	1,914,758	4,376,542	7,103,409	(84,965)	7,018,444
Restatement Due to IFRS 9 Adoption	-	-	-	-	-	-
Carrying Balance at 1 Jan 2022	812,109	1,914,758	4,376,542	7,103,409	(84,965)	7,018,444
Profit for the year	-	-	960,784	960,784	7,576	968,360
Other comprehensive income:						
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-
Prior year deferred tax adjustment	-	-	-	-	-	-
Restated Balance Due to IFRS Adoption in Consolidation	-	-	542	542	-	542
Restated Balance from Arik Air Impairment Bal	-	-	-	-	-	-
Other comprehensive income	-	-	542	542	-	542
Total comprehensive income for the period	-	-	961,326	961,326	7,576	968,902
Transaction with owners recognised directly in equity						
Dividend payable to owners	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
As at 30 Jun. 2022	812,109	1,914,758	5,337,868	8,064,735	(77,389)	7,987,346

	<u>Attributable to equity holders of the Parent</u>					<u>Total Equity</u>
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Retained Earnings</u>	<u>Total</u>	<u>Non-controlling Interest</u>	
	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	<u>N'000</u>	
As at 1 January 2022	812,109	1,914,758	4,249,251	6,976,118	-	6,976,118
Comprehensive income for the period						
Restatement Due to IFRS 9 Adoption						
Carrying Balance at 1 Jan 2022	812,109	1,914,758	4,249,251	6,976,118	-	6,976,118
Profit for the year	-	-	898,211	898,211	-	898,211
Other comprehensive income:						
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-
Prior year deferred tax adjustment	-	-	-	-	-	-
Restated Balance from Arik Air Impairment Bal.	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	898,211	898,211	-	898,211
Transaction with owners recognised directly in equity						
Dividend payable to owners	-	-	-	-	-	-
Dividend Payment	-	-	-	-	-	-
Total transactions with owners of the Company	-	-	-	-	-	-
As at 30 Jun. 2022	812,109	1,914,758	5,147,462	7,874,329	-	7,874,329

Consolidated and Separate Statement of Cash Flows
For the year ended 30th June, 2022

Notes	Group		Company	
	Jan.- Jun. 2022	Jan.- Jun. 2021	Jan.- Jun. 2022	Jan.- Jun. 2021
	₦'000	₦'000	₦'000	₦'000
Cash Flows from Operating Activities				
Profit before Tax	1,255,939	646,395	1,158,982	540,019
<i>Adjustments to reconcile profit before tax to net cash flows:</i>				
Depreciation: PPE	11 389,532	443,348	378,488	431,734
Depreciation: Investment property	13 5,175	78,365	5,175	78,365
Amortisation of intangible asset	12 3,373	7,638	3,373	7,638
Cost of assets transferred	-	-	-	-
Depreciation of the transferred asset	-	-	-	-
Depreciation of right of use of assets	110,505	-	34,011	-
Assets written off	-	-	-	-
Inventory written off	-	-	-	-
Loss/(gain) on disposal of PPE	6 -	-	-	-
Expected Credit (reversals)/ losses	9c -	-	-	-
Unrealised exchange gain	6 -	-	-	-
Deferred rent released to profit or loss	29 (104,093)	(99,277)	(104,093)	(99,277)
Finance cost	7 94,638	93,880	88,580	88,533
Finance income	7 (66,306)	(16,732)	(66,306)	(16,732)
Interest on Lease	7 -	-	-	-
	432,824	507,222	339,228	490,261
	1,688,762	1,153,617	1,498,210	1,030,280
<i>Working Capital adjustments:</i>				
(Increase)/Decrease in inventories	(48,109)	(60,390)	(48,109)	(60,389)
(Increase)/Decrease in trade and other receivables	(2,920,888)	(357,225)	(2,849,441)	(253,893)
(Increase)/Decrease in intercompany receivables	-	-	(22,670)	(8,947)
(Increase)/Decrease in prepayments	(810,900)	(532,523)	(759,116)	(516,281)
(Decrease)/increase in trade and other payables	28 3,364,167	283,226	3,075,915	288,869
(Decrease)/increase in intercompany payable	-	-	-	-
	(415,730)	(666,912)	(603,420)	(550,641)
Cash generated from operations	1,273,033	486,705	894,790	479,639
Taxation paid	8(b) (70,540)	(12,385)	(45,039)	-
Net cash flows from operating activities	1,202,493	474,320	849,751	479,639
Cash Flows from Investing activities				
Purchase of property, plant and equipment	11 (103,553)	(33,225)	(99,349)	(32,960)
Right of use of assets	-	-	-	-
Purchase of Intangible Assets	12 -	-	-	-
Acquisition of Investment properties	13 (1,306)	(245,776)	(1,306)	(245,776)
Investment in debt Instrument	(0)	(430,095)	(0)	(430,095)
Liquidation of debt instrument	368,628	487,431	368,628	487,431
Proceeds from disposal of property, plant and equipment	74,650	-	74,650	-
Rent received	29 161,335	155,326	103,466	88,763
Outflow from Bond repayment fund	16 -	532	-	532
Grant Received	-	-	-	-
Inflow to Bond repayment fund	16 -	-	-	-
Loan to subsidiary	-	-	-	-
Loan repaid by subsidiary	15 -	-	-	-
Interest received	7 66,306	16,732	66,306	16,732
Net cash flows (used in)/ from investing activities	566,059	(49,075)	512,394	(115,373)
Cash Flows from Financing activities				
Repayment of bond	27 -	-	-	-
Unclaimed dividend	-	-	-	-
Finance cost	7 (94,638)	(93,880)	(88,580)	(88,533)
Dividends paid	25 -	-	-	-
Payment of interest on lease	28b -	-	-	-
Payment of Lease Liability	28b -	-	-	-
Net cash flows used in financing activities	(94,638)	(93,880)	(88,580)	(88,533)
Net (decrease)/increase in cash and cash equivalents	1,673,915	331,365	1,273,566	275,732
Net foreign exchange difference	283,139	210,204	340,095	167,480
Cash at bank and in hand, beginning of year	1,377,340	835,771	1,178,734	735,522
Cash at bank and in hand, end of Period	22 3,334,394	1,377,340	2,792,395	1,178,734
Cash & cash equivalents at 30 Jun. 2022	3,334,394	1,377,340	2,792,395	1,178,734

NAHCO PLC free float status

Shareholding Structure/Free Float Status

Description	Jun. 30th, 2022		Jun. 30th, 2021	
	Units	Percentage (In relation to Issued Share Capital)	Units	Percentage (In relation to Issued Share Capital)
Issued Share Capital	1,624,218,750	100.000%	1,624,218,750	100.000%
Details of Substantial Shareholdings (5% and above)				
[Name(s) of Shareholders]				
Godsmart Nigeria Ltd	437,731,927	26.950%	437,731,927	26.950%
White Cowry Industries Limited	148,869,885	9.165%	148,869,885	9.165%
Awhua Resources Limited	115,787,906	7.129%	115,787,906	7.129%
Total Substantial Shareholdings	702,389,718	43.244%	702,389,718	43.244%
Details of Directors Shareholdings (direct and indirect), excluding directors' holding substantial interests				
[Name(s) of Directors]				
Dr. Seinde Fadeni Oladapo (Indirect)	-	-	-	-
Engr. Mohammed Gambo Umar, mni, FNSE (Direct)	-	-	-	-
Mrs Olatokunbo Adenike Fagbemi (Direct)	66,000	0.004%	66,000	0.004%
Sir Sunday Nnamdi Nwosu (Direct)	135,715	0.008%	135,715	0.008%
Mr. Akinwumi Godson Fanimokun (Direct)	5,026,610	0.309%	2,000,000	0.123%
Mr. Salman Taofeeq Oluwatoyin (Direct)	-	-	-	-
Engr. Solagbade Olukayode Alabi (Indirect)	-	-	-	-
Mr. Tajudeen Moyosola Shobayo (Direct)	1,138,276	0.070%	1,138,276	0.070%
Mr. Olumuyiwa Augustus Olumekun (Direct)	-	-	-	-
Mrs. Abimbola Adunola Adebakin (Direct)	-	-	-	-
Prince Saheed Lasisi (Direct)	3,006,185	0.185%	3,006,185	0.185%
Total Directors' Shareholdings	9,372,786	0.577%	6,346,176	0.391%
Details of Other Influential shareholdings, if any (E.g. Government, Promoters)				
[Name(s) of Entities/ Government]	-	-	-	-
Total of Other Influential Shareholdings	-	-	-	-
Free Float in Unit and Percentage	912,456,246	56.178%	915,482,856	56.365%
Free Float in Value	N7,755,878,091.00		N3,570,383,138.40	

Declaration:

A) NAHCO Plc with a free float percentage of 56.365% as at 30 Jun. 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

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

Note:

* Share Price as at Jun. 30, 2022 **N8.50**

* Share Price as at Jun. 30, 2021 **N3.90**

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

1.

Nigerian Aviation Handling Company PLC ("nahco aviance" or "the Company") is a company domiciled in Nigeria with its registered office at Murtala Muhammed International Airport, Ikeja, Lagos. The consolidated financial statements of the Company for the period ended 30 June, 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

2.

Statement of compliance

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

The financial statements were authorised for issue by the Directors on 28th Jul, 2022.

Functional and presentation currency

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

Basis of measurement

These financial statements are prepared on the historical cost basis.

Use of estimates and judgements

Judgments

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

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

Property lease classification – Group as lessor

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

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) as it relates to each specific subsidiary to measure lease liabilities. The IBR is the rate of interest that the each entity in the Group would have to pay to borrow over a

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Group estimates the IBR using the following steps:

Step

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

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

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

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

Going concern

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

Estimates and assumptions

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

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

Re-assessment of useful lives and residual values

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

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

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

Impairment of non-financial assets

Impairment of non-financial 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.

Taxes

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

3. Significant accounting policies

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

(a) Basis of Consolidation

Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries at 30 June, 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- *Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)*
- *Exposure, or rights, to variable returns from its involvement with the investee*
- *The ability to use its power over the investee to affect its returns* Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - *The contractual arrangement(s) with the other vote holders of the investee*
 - *Rights arising from other contractual arrangements*
 - *The Group's voting rights and potential voting rights*

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

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

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

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

Transactions eliminated on consolidation

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

(b) Foreign currency

Foreign currency transactions

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

(c) Property, plant and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

Depreciation

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

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

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

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

De-recognition

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

(d) Intangible assets

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

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

Intangible assets acquired separately

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

Derecognition of intangible assets

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

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

(e) Inventories

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

(f) Financial Instruments

(i) Financial assets

Recognition

Non-derivative financial instruments- recognition and measurement

The Group recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Group initially recognizes trade and other receivables on the date of transaction. At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial asset not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of a financial asset measured at fair value through profit or loss is recognized as profit or loss. (b) Classification of non-derivative financial assets

Classification and measurement model of non-derivative financial assets are summarized as follows. The Group classifies financial assets at initial recognition as financial assets measured at amortized cost, debt instruments measured at fair value through other comprehensive income, equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss.

(i) Financial assets measured at amortized cost

A financial asset that meets both the following condition is classified as a financial asset measured at amortized cost.

- The financial asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset measured at amortized cost is initially recognized at fair value plus transaction cost directly attributable to the asset. After initial recognition, carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary.

(ii) Debt instruments measured at fair value through other comprehensive income

A debt instrument that meets both the following condition is classified as a financial asset measured at fair value through other comprehensive income.

- The financial asset is held within the Group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

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

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

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

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

Cash and cash equivalents

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

Trade and other payables

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

Others

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

(ii) Derecognition of financial assets

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

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

(i) Financial liabilities measured at amortized cost

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

ii. Non-derivative financial liabilities

(a) Recognition and measurement of financial liabilities

The Group recognizes financial debt when the Group becomes a party to the contractual provisions of the instruments. The measurement of financial debt is explained in (b) Classification of financial liabilities.

(b) Classification of financial liabilities

A financial liability other than those measured at fair value through profit or loss is classified as a financial liability measured at amortized cost. A financial liability at amortized cost is initially measured at fair value less transaction cost directly attributable to the issuance of the financial liability. After initial recognition, the financial liability is measured at amortized cost based on the effective interest rate method.

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

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

(c) Derecognition of financial liabilities

The Group derecognizes a financial liability when the financial liability is distinguished, i.e. when the contractual obligation is discharged or cancelled or expired.

Impairment of financial assets

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

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

(g) Share Capital

Ordinary Shares

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

Dividend on ordinary shares

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

(h) Taxation

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

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

(i) Impairment

Financial assets

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

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

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

Non-financial assets

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

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

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

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

(j) Non-current assets held for sale

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

(k) Employee benefits

Defined contribution plans

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

Short-term benefits

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

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

(l) Provisions

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

(m) Revenue recognition

Services

Revenue recognition

Services

Revenue from services rendered is recognised in profit and loss in accordance with IFRS

15. All services are rendered and completed at a point in time. Revenue is recognised at the time the performance obligation is ended

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

Rental income

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

Notes to the financial statements

Changes in accounting policies and disclosures

ii Impact of application of IFRS 9 Financial instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company and its subsidiaries applied IFRS 9 prospectively, with an initial application date of 1 January 2018. The Company has not restated the comparative information, which continues to be reported under IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity.

The effect of adopting IFRS 9 as at 1 January 2018 was, as follows:

The nature of these adjustments are described below:

a Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the company's business model was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Company.

The following are the changes in the classification of the Company's financial assets:

Trade and other receivables, cash and short-term deposits classified as Loans and receivables as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning 1 January 2018.

The Group Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon adoption of IFRS 9, the Company had the following required or elected reclassifications as at 1 January 2018.

b Impairment of Financial assets

The adoption of IFRS 9 has fundamentally changed the company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

Upon adoption of IFRS 9, the company recognised impairment on the company's short-term deposits of N6.85 million and reversal on Trade receivables of N370 million which resulted in an increase in Retained earnings of N363.87 million as at 1 January 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with IAS 39 to the opening loss allowances determined in accordance with IFRS 9:

NAHCO PLC

**Changes in accounting policies and disclosures
New and amended standards and interpretations**

M. IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 does not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective method of adoption, with the date of initial application of 1 January 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 January 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application.

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

(n) Finance income and expense

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

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

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position except for foreign currency translation differences recorded in other

Policy on leases prior to 1 January 2019

(o) Leased assets

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

(p) Lease Payments

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

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

Determining whether an arrangement contains a lease

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

At inception or upon reassessment of the arrangement, the Group separates payments and other considerations required by such an

Policy on leases from 1 January 2020

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 lessee

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 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
- Land 15-20years

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.

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

Policy on leases prior to 1 January 2019 (Cont.)

ii) Lease liabilities

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.

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-cancellable period of the lease.

(q) Investment property

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

Notes to the consolidated and separate financial statements*For the period ended 30th June, 2022***(r) Earnings per share**

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

4. Determination of fair values

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

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

Other non-derivative financial

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

5. Revenue

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

	Group		Company	
	<u>Jun-22</u> N'000	<u>Jun-21</u> N'000	<u>Jun-22</u> N'000	<u>Jun-21</u> N'000
Revenue from Contracts with Customers:				
Passenger/ Aircraft handling	3,565,724	1,952,811	3,434,937	1,952,811
Leasing/ Disinfection, Other Services	179,481	128,927	179,481	32,625
Revenue from Contracts with Customers	<u>3,745,205</u>	<u>2,081,738</u>	<u>3,614,418</u>	<u>1,985,436</u>
Other Revenue				
Cargo handling (Import Cargo)	2,058,601	2,240,304	1,916,109	2,091,576
Cargo handling (Export Cargo)	648,034	277,872	648,034	277,872
Equipment rental and maintenance	270,827	209,995	270,827	209,995
Other Revenue	<u>2,977,462</u>	<u>2,728,171</u>	<u>2,834,970</u>	<u>2,579,443</u>
Dist Allowed/Sales Comm & Impairment loss	<u>(247,427)</u>	<u>(97,466)</u>	<u>(247,427)</u>	<u>(97,466)</u>
Total Revenue	<u>6,475,240</u>	<u>4,712,443</u>	<u>6,201,961</u>	<u>4,467,413</u>

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

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

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

6 Other Income

	Group		Company	
	<u>Jun-22</u>	<u>Jun-21</u>	<u>Jun-22</u>	<u>Jun-21</u>
	<u>₦'000</u>	<u>N'000</u>	<u>₦'000</u>	<u>N'000</u>
Rental income from investment property	104,093	99,277	104,093	99,277
Foreign exchange(loss)/gain -realized	(53,929)	(6,869)	(53,929)	(6,869)
Sundry Income	87,335	112,572	56,163	82,318
Profit/(Loss) on disposal of property, plant and equipment	-	-	-	-
Invoice Price Variance	5,024	2,413	5,024	2,413
Income from training services	1,180	5,000	1,180	5,000
Grants	-	-	-	-
	<u>143,704</u>	<u>212,393</u>	<u>112,531</u>	<u>182,139</u>

7 Finance income and expense

	Group		Company	
	<u>Jun-22</u>	<u>Jun-21</u>	<u>Jun-22</u>	<u>Jun-21</u>
	<u>₦'000</u>	<u>N'000</u>	<u>₦'000</u>	<u>N'000</u>
Finance income:				
Interest income on Bond reserve	-	107	-	107
Interest income on Treasury bills	886	7,940	886	7,940
Interest income on fixed & bank deposits	65,420	8,685	65,420	8,685
Accrued Interest income on Loan (Note 16)	-	-	-	-
Interest income on debt instruments	-	-	-	-
Other Finance Income	-	-	-	-
	<u>66,306</u>	<u>16,732</u>	<u>66,306</u>	<u>16,732</u>
Interest expense on financial				
Interest on Bond	-	-	-	-
Other Bond charges	-	-	-	-
Bank and other Charges	-	-	-	-
Other Interest expense	6,058	5,347	-	-
Interest cost on lease liabilities	-	-	-	-
Finance Cost Lease	88,580	88,533	88,580	88,533
Finance expense	<u>94,638</u>	<u>93,880</u>	<u>88,580</u>	<u>88,533</u>
Net finance costs	<u>(28,332)</u>	<u>(77,148)</u>	<u>(22,274)</u>	<u>(71,801)</u>

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

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

8. Taxation

(a) The tax charge for the period comprises:

	Group		Company	
	Jun-22	Jun-21	Jun-22	Jun-21
	N'000	N'000	N'000	N'000
Company income tax	287,113	140,204	260,771	121,504
Education tax	466	1,313	-	-
Prior Year Underprovision	-	-	-	-
	<u>287,579</u>	<u>141,517</u>	<u>260,771</u>	<u>121,504</u>
Deferred tax	-	-	-	-
	<u>287,579</u>	<u>141,517</u>	<u>260,771</u>	<u>121,504</u>

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

	Group		Company	
	Jun-22	Dec-21	Jun-22	Dec-21
	N'000	N'000	N'000	N'000
Balance, beginning of year	961,665	782,670	957,759	745,804
Charge for the year (Note(a))	287,579	242,950	260,771	242,198
Actual Payment made during the year	(70,540)	(58,572)	(45,039)	(30,243)
Withholding Tax offset	-	(5,383)	-	-
Balance, end of period	<u>1,178,704</u>	<u>961,665</u>	<u>1,173,492</u>	<u>957,759</u>

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

	Group		Company	
	Jun-22	Dec-21	Jun-22	Dec-21
	N'000	N'000	N'000	N'000
At 1 January	715,707	805,416	725,164	804,267
Effect of adoption of IFRS 9	-	-	-	-
At 1 January restated	715,707	805,416	725,164	804,267
Charge for the period/year	-	(89,709)	-	(79,103)
As at 30 Jun. 2022	<u>715,707</u>	<u>715,707</u>	<u>725,164</u>	<u>725,164</u>

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

9. Profit from operations

Profit for the year attributable to:

	Group		Company	
	Jun-22	Jun-21	Jun-22	Jun-21
	₦'000	₦'000	₦'000	₦'000
Owners of the company	960,784	492,919	898,211	418,514
Non-controlling interests	7,576	11,958	-	-
	968,360	504,877	898,211	418,514

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

(a) Operating Costs;

	Jun-22	Jun-21	Jun-22	Jun-21
	₦'000	₦'000	₦'000	₦'000
Payroll Costs	2,275,020	1,741,241	2,257,677	1,727,360
Depreciation, Amortisation & Impairment	406,392	466,327	404,158	460,799
Diesel, Oil, Motor Repairs & fuel expenses	208,853	81,251	208,398	80,841
Trainings (Internal & External)	46,359	33,863	43,909	30,663
Outstation & Estacode Allowance	13,771	2,129	13,629	2,022
Air Ticket (Local & Foreign)	4,294	1,637	4,103	1,563
Other Security Expenses	8,490	5,995	8,490	5,995
Machineries & Equipemnt Spares	32,242	70,606	32,242	70,606
Boots, Helmets, Ear Muff & Co.	30,028	965	30,028	965
Computer Consumables & Network Exps	11,172	10,274	10,928	10,274
Electricity	41,694	36,078	41,404	35,577
Insurance	44,021	40,449	42,946	39,516
Printing & Stationaries	13,970	9,203	12,966	8,803
Subscriptions	15,193	30,397	14,285	15,858
Relocation Expenses (Staff & Equipments)	23,694	13,564	23,694	13,564
Office & Warehouse Maintenance	49,966	39,236	41,547	37,957
Concession Expenses	334,433	205,426	334,433	205,426
Other Operating Costs	265,255	169,297	214,386	139,007
	3,828,105	2,957,938	3,742,481	2,886,796

	Jun-22	Jun-21	Jun-22	Jun-21
	₦'000	₦'000	₦'000	₦'000
9(a) Other Operating Costs:				
Cleaning & Fumigation	735	3,062	735	3,062
Clearing Charges	9,605	2,216	9,605	2,216
Plant, Equipment, Fittings & Value Added service exps	27,382	1,860	1,974	1,860
Postages, Telex, Newspaper & Periodicals	3,442	2,616	3,442	2,616
Office Rent	55,863	1,573	55,863	1,573
Hotel Accomodation	1,413	3,425	1,413	3,425
Other Motor Running Expenses & Vehicles Licence	10,684	2,511	9,605	2,511
Other Operational Cost	42,696	41,234	32,242	34,211
Maintenance	2,298	1,500	2,298	1,500
Year end Gifts	73,727	37,329	72,077	35,329
Licence Renewals	3,580	2,500	2,500	1,980
Others	31,857	69,471	20,660	48,724
	265,255	169,297	214,386	139,007

Details of Other Costs:

(b) Administrative Expenses:	Group		Company	
	Jun-22	Jun-21	Jun-22	Jun-21
	N'000	N'000	N'000	N'000
Payroll Costs	560,574	567,526	530,211	527,796
Directors Remuneration	29,250	18,000	29,250	18,000
Board Expenses	209,429	110,975	195,912	109,888
Depreciation, Amortisation & Impairment	58,699	61,707	47,994	54,331
Trainings (Internal & External)	16,524	26,609	16,382	23,529
Outstation & Estacode Allowance	23,907	4,702	22,278	4,595
Hotel Accomodation	36,153	21,148	36,153	21,148
Air Ticket (Local & Foreign)	33,353	22,544	29,662	22,544
Outsourced Security	21,625	24,567	20,925	24,567
Other Security Expenses	17,212	18,586	15,551	17,911
Computer Consumables & Network Exps	26,878	16,242	21,010	16,221
Electricity	14,997	23,086	15,000	23,086
Insurance	11,188	9,957	10,679	7,717
Printing & Stationaries	19,142	17,927	17,858	17,927
Audit Fees	9,900	9,000	7,525	7,000
Office & Warehouse Maintenance	34,501	24,319	30,560	23,745
Registrar Fees	4,349	4,750	4,349	4,750
Advertisement	2,967	3,156	2,967	3,156
Corporate Social Responsibility, Corporate gifts & year end gifts	26,964	25,873	26,964	23,873
Public Relation, Business Promotion & Business Dev. Exp.	108,270	66,428	107,670	54,215
Subscriptions	34,622	14,050	31,759	14,050
Professional Fees ***	31,010	39,610	31,010	39,610
Other Administrative Expenses	175,055	112,593	139,085	91,277
	1,506,569	1,243,355	1,390,755	1,150,936

(b) Other Administrative Expenses:	Group		Company	
	Jun-22	Jun-21	Jun-22	Jun-21
	N'000	N'000	N'000	N'000
Cleaning & Fumigation	18,780	14,177	18,780	14,177
Other Motor Running Expenses	876	1,316	946	972
Office Plant, Equipment & Fittings	137	1,372	137	1,372
Telephone	4,063	3,314	3,549	3,314
Staff Uniform & Overall	387	16,030	387	15,923
Entertainment	4,943	3,064	4,807	3,064
Postages, Telex, Newspaper & Periodicals	1,429	2,056	1,402	2,056
Donations	2,650	2,173	2,650	2,173
Consumables	5,902	3,650	4,690	3,650
Maintenance	40,987	20,424	40,315	20,424
Utilities-other	-	1,067	-	1,067
Bank Charges	8,887	6,987	8,084	6,507
Purchase price variance	502	652	352	652
Clearing Charges	646	223	396	223
Others	55,204	36,088	22,927	15,703
	175,055	112,593	139,085	91,277

Professional Fees * : are as analysed below;**

	Group		Company	
	Jun-22	Jun-21	Jun-22	Jun-21
	N'000	N'000	N'000	N'000
Consulting Fees	9,552	13,618	9,552	13,618
Registrar's Fees	4,349	3,624	4,349	3,624
Legal Fees	9,584	15,316	9,584	15,316
Accounting Fees	7,525	7,052	7,525	7,052
	31,010	39,610	31,010	39,610

Depreciation

	Group		Company	
	Jun-22	Jun-21	Jun-22	Jun-21
	N'000	N'000	N'000	N'000
Depreciation of property, plant and equipment	419,585	440,076	409,593	431,754
Amortisation of intangible assets	3,373	7,638	3,373	7,638
(d) Depreciation of investment property	5,175	41,748	5,175	41,748
Depreciation of right of use of asset	36,958	38,544	34,011	34,011
	465,091	528,006	452,151	515,151

Depreciation Allocation

	Group		Company	
	Jun-22	Jun-21	Jun-22	Jun-21
	N'000	N'000	N'000	N'000
Operating Costs	406,392	466,327	404,158	460,799
Admin expenses	58,699	61,679	47,994	54,352
	465,091	528,006	452,151	515,151

10. Basic earnings per share

	Group	
	Jun. 22	Jun. 21
	N'000	N'000
Profit attributable to ordinary shareholders	960,784	492,919
Weighted average number of ordinary shares	1,624,218	1,624,218
Basic EPS	59	30

Notes to the consolidated and separate financial statements**For the period ended 30th June, 2022****11. Property, plant and equipment**

	Land N'000	Building N'000	Plant & Machinery N'000	Motor Vehicles N'000	Computer Equipment N'000	Furniture & Equipment N'000	Right of Use Assets N'000	Capital WIP N'000	Total N'000
<u>COMPANY</u>									
COST									
At 1 January 2022	50,218	3,291,982	8,987,588	549,850	1,579,329	490,241	-	46,534	14,995,742
Additions	-	6,817	29,193	-	8,584	9,496	-	45,259	99,349
Reclassified	-	(13,848)	(52,985)	(13,963)	(4,773)	(20,722)	-	-	(106,291)
Transfer	-	-	-	-	-	-	-	-	-
As at 30th Jun. 2022	-	(7,031)	(23,792)	(13,963)	3,811	(11,226)	-	45,259	(6,942)
Additions	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	74,650	-	-	-	-	74,650
	-	-	-	74,650	-	-	-	-	74,650
As at 30th Jun. 2022	50,218	3,284,951	8,963,796	461,237	1,583,140	479,015	-	91,793	14,914,150
Depreciation									
At 1 January 2022	9,906	675,890	5,237,756	480,864	1,433,142	456,226	-	-	8,293,784
Charge for the year	500	32,755	321,324	(9,757)	25,055	8,611	-	-	378,488
Disposal	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
As at 30th Jun. 2022	500	32,755	321,324	(9,757)	25,055	8,611	-	-	378,488
Charge for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	21,773	-	-	-	-	21,773
Transfer	-	-	-	-	-	-	-	-	-
	-	-	-	21,773	-	-	-	-	21,773
As at 30th Jun. 2022	10,406	708,645	5,559,080	449,334	1,458,197	464,837	-	-	8,650,499
NET BOOK VALUE									
As at 30th Jun. 2022	39,812	2,576,306	3,404,716	11,903	124,943	14,178	-	91,793	6,263,651
At 31 December 2021	40,312	2,616,092	3,749,832	68,986	146,187	34,015	-	46,534	6,701,958

11. Property, plant and equipment (Group)

	Land N'000	Building N'000	Plant & Machinery N'000	Motor Vehicles N'000	Computer Equipment N'000	Furniture & Equipment N'000	Right of Use Assets N'000	Capital WIP N'000	Total N'000
<u>COMPANY</u>									
COST									
At 1 January 2022	50,218	3,380,097	9,044,221	589,849	1,597,211	547,998	-	46,534	15,256,128
Additions	-	6,817	29,193	-	9,884	12,400	-	45,259	103,553
Assets Reclassified	-	(13,848)	(52,985)	(13,963)	(4,773)	(20,722)	-	-	(106,291)
Transfer	-	-	-	-	-	-	-	-	-
As at 30th Jun. 2022	-	(7,031)	(23,792)	(13,963)	5,111	(8,322)	-	45,259	(2,738)
Additions	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	74,650	-	-	-	-	74,650
Reclassification	-	-	-	74,650.00	-	-	-	-	74,650
As at 30th Jun. 2022	50,218	3,373,066	9,020,429	501,236	1,602,322	539,676	0	91,793	15,178,740
Depreciation									
At 1 January 2022	9,906	686,292	5,269,786	510,396	1,448,341	491,609	-	-	8,416,330
Charge for the year	500	33,636	324,229	(6,485)	26,063	11,589	-	-	389,532
Disposal	-	-	-	-	-	-	-	-	-
Transfer	500	33,636	324,229	(6,485)	26,063	11,589	-	-	389,532
As at 30th Jun. 2022	500	33,636	324,229	(6,485)	26,063	11,589	-	-	389,532
Charge for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	21,773	-	-	-	-	21,773
Reclassification	-	-	-	-	-	-	-	-	-
	-	-	-	21,773	-	-	-	-	21,773
As at 30th Jun. 2022	10,406	719,928	5,594,015	482,138	1,474,404	503,198	-	-	8,784,089
NET BOOK VALUE	39,812	2,653,138	3,426,414	19,098	127,918	36,478	-	91,793	6,394,651
As at 30th Jun. 2022	39,812	2,653,138	3,426,414	19,098	127,918	36,478	-	91,793	6,394,651
At 31 December 2021	40,312	2,693,805	3,774,435	79,453	148,870	56,389	-	46,534	6,839,798

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

11. Right of use of Asset

	Building N'000	Warehouse N'000	Total N'000
<u>COMPANY</u>			
COST			
At 1 January 2022	894,987	-	894,987
Additions	-	-	-
Disposals	-	-	-
Transfer	-	-	-
	-	-	-
As at 30th Jun. 2022	894,987	-	894,987
Depreciation			
At 1 January 2022	185,463	-	185,463
Charge for the year	34,011	-	34,011
Disposal	-	-	-
Transfer	-	-	-
As at 30th Jun. 2022	34,011	-	34,011
As at 30th Jun. 2022	219,474	-	219,474
NET BOOK VALUE			
As at 30th Jun. 2022	675,513	-	675,513
At 31 Dec. 2021	758,945	-	758,945
<u>GROUP</u>			
COST			
At 1 January 2022	971,463	-	971,463
Additions	-	-	-
Disposals	-	-	-
As at 30th Jun. 2022	-	-	-
As at 30th Jun. 2022	971,463	-	971,463
Depreciation			
At 1 January 2022	199,639	-	199,639
Charge for the year	110,505	-	110,505
Disposal	-	-	-

As at 30th Jun. 2022	<u>110,505</u>	<u>-</u>	<u>110,505</u>
As at 30th Jun. 2022	<u>310,144</u>	<u>-</u>	<u>310,144</u>
NET BOOK VALUE			
As at 30th Jun. 2022	<u>661,319</u>	<u>-</u>	<u>661,319</u>
At 31 Dec. 2021	<u>755,540</u>	<u>-</u>	<u>755,540</u>

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

12. Intangible assets

	Group		Company	
	Jun-22	Dec-21	Jun-22	Dec-21
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance at 1 January	441,756	441,756	347,284	347,284
Additions	-	-	-	-
As at 30th Jun. 2022	441,756	441,756	347,284	347,284
Amortisation				
Balance at 1 January	324,170	310,582	324,000	310,497
Amortisation for the year	3,416	13,588	3,373	13,503
As at 30th Jun. 2022	327,586	324,170	327,373	324,000
Carrying amounts				
As at 30th Jun. 2022	114,170	117,586	19,912	23,284

13. Investment property

	Group		Company	
	Jun-22	Dec-21	Jun-22	Dec-21
	₦'000	₦'000	₦'000	₦'000
Cost				
As at 1 January	418,416	172,640	418,416	172,640
Additions	1,306	245,776	1,306	245,776
Disposals	-	-	-	-
As at 30th Jun. 2022	419,722	418,416	419,722	418,416
Depreciation				
Balance at 1 January	121,969	39,330	121,969	39,330
Charge for the year	5,175	82,639	5,175	82,639
Disposals	-	-	-	-
As at 30th Jun. 2022	127,144	121,969	127,144	121,969
Carrying amounts				
As at 30th Jun. 2022	292,579	296,447	292,579	296,447

The fair value of the investment property as at 30th Jun 2022 was N694million (2021: N665Million). Total rental revenue from the investment property as at 30th Jun. 2022 was N161million. The fair value of the properties are based on valuation performed by **Jide Taiwo & Co.**, accredited independent valuers. Jide Taiwo & Co is a renowned specialist in valuing these types of investment properties.

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

13 Investment property - Contd

	Company & Group	
	<u>Jun-22</u>	<u>Dec-21</u>
	N'000	N'000
Rental Income derived from Investment Properties	104,093	72,351
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	(11,165)	(11,165)
	<u>92,928</u>	<u>61,186</u>
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	-	-
Profit arising from investment properties	<u>92,928</u>	<u>61,186</u>

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.

14. Investment in subsidiaries

	Company	
	<u>Jun-22</u>	<u>Dec-21</u>
	N'000	N'000
Shares in subsidiaries:		
Nahco FTZ Limited	10,000	10,000
Nahco Energy and Power Limited	25,500	25,500
Mainland Cargo Options Ltd	4,000	4,000
Deeposit for Shares in NFZ	-	-
Balance as at the end of the period	<u>39,500</u>	<u>39,500</u>

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

(I) NFZ Limited

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

(II) NAHCO Energy, Power & Infrastructure Limited

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

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

14. Investment in subsidiaries - continued

(III) Mainland Cargo Options Limited

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

15. Deposit For Shares

	Company	
	<u>Mar-22</u>	<u>Dec-21</u>
	N'000	N'000
Balance at 1 January	-	-
Transfer of Equipment from NAHCO FTZ	-	-
Intercompany Settlement	-	-
Additions	-	-
Balance as at the end of the period	<u>-</u>	<u>-</u>

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

15. Loan to Subsidiary

	Company	
	Jun-22	Dec-21
	N'000	N'000
As at 1st January	-	-
Impact of IFRS 9 adjustment	-	-
Restated balance as at 1/1/2018	-	-
Accrued Interest	-	-
Payment	-	-
Reversal of prior year adjustment	-	-
Additions	-	-
Balance as at the end of the period	-	-
Disclosed as follows;		
Due within 12 months	-	-
Due after 12 months	-	-
	-	-

16 Other non- current assets

	Group		Company	
	Jun-22	Dec-21	Jun-22	Dec-21
	N'000	N'000	N'000	N'000
Other non- current assets comprise of :				
Bond Repayment Fund-				
As at 1 January	-	532	-	532
Interest income on bond	-	-	-	-
Other bond charges	-	-	-	-
Additions during the year	-	0	-	0
	-	532	-	532
Interest distributions	-	-	-	-
Periodic liquidation on Principal	-	(532)	-	(532)
Carrying amounts	-	-	-	-
As at 30th Jun. 2022	-	-	-	-

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

17. Inventories

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Spare parts	241,348	200,203	241,348	200,203
General & Medical	52,788	59,156	52,788	59,156
Diesel & Lub.	42,480	11,388	42,480	11,388
	336,616	270,747	336,616	270,747

18. Prepayments

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Prepayments comprise:				
Deposit for property & equipment	2,151,387	979,206	1,949,134	791,513
Prepaid insurance	55,732	95,441	53,626	94,350
Prepaid Stock	291,391	155,419	291,391	155,419
Others	554,722	79,190	487,396	53,900
	3,053,232	1,309,255	2,781,547	1,095,182

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

19. Trade and other receivables

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Trade and other receivables comprise:				
Trade receivables (Note 30)	4,993,573	2,324,376	4,805,172	2,141,863
Less Impairment (Note 30)	(767,069)	(737,495)	(761,303)	(686,303)
	4,226,504	1,586,881	4,043,869	1,455,560
With holding tax receivable	1,263,989	1,087,110	1,228,524	1,059,682
Other receivables	478,697	374,311	469,354	377,065
	5,969,190	3,048,302	5,741,748	2,892,307

Trade receivables are invoices on ground handling services issued to customers net of taxes and impairment on the debts. The group's credit policy allows a 30 day credit period for all its customers. Other receivables consist of advances to staff for routine services to be carried out. This is to be retired within fourteen (14) days or on the completion of projects

20 Intercompany receivables

	Company	
	Jun-22 N'000	Dec-21 N'000
NFZ	208,072	166,107
NAHCO Energy, Power and Infrastructure Ltd	420,760	420,760
Mainland Cargo Options	19,366	42,639
	648,198	629,505
Impairment for the year	(11,864)	(15,842)
	636,334	613,664

Intercompany payables

	Company	
	Jun-22 N'000	Dec-21 N'000
NFZ	-	-
NAHCO Energy, Power and Infrastructure Ltd	-	-
Mainland Cargo Options	-	-
	-	-
	636,334	613,664

Net Intercompany Receivable/(Payables)

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

21 Debt instrument at amortised cost

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
As At 1st January	355,883	487,431	355,883	487,431
Liquidation	(355,883)	(487,431)	(355,883)	(487,431)
Treasury bills	0	368,628	0	368,628
Impairment	(12,746)	(12,745)	(12,746)	(12,745)
Federal Govt Treasury bills	(12,746)	355,883	(12,746)	355,883

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

22 Cash and cash equivalents

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Bank and cash balances	2,276,033	671,491	1,806,254	535,937
Domiciliary accounts	245,049	227,458	243,262	223,137
Fixed deposits	813,312	1,661,826	742,879	1,591,043
	<u>3,334,394</u>	<u>2,560,775</u>	<u>2,792,395</u>	<u>2,350,117</u>
Impairment of Short Term Deposits	(5,590)	(5,589)	(5,435)	(5,435)
	<u>3,328,804</u>	<u>2,555,186</u>	<u>2,786,959</u>	<u>2,344,682</u>

included in short term deposits is the investment placed for unclaimed dividend as at 30th June, 2022. Short term deposits are made for varying period between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short term deposit rates.

23 Share Capital

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
(a) Authorised ordinary shares of 50 kobo each	1,500,000	1,500,000	1,500,000	1,500,000
(b) Called-up and fully paid ordinary share capital: ordinary shares of 50 kobo each	812,109	812,109	812,109	812,109

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

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

24 Share premium

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Balance at the end of the period	1,914,758	1,914,758	1,914,758	1,914,758

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

Notes to the consolidated and separate financial statements
For the period ended 30th June, 2022

25 Retained earnings

	Group		Company	
	Jun-22	Dec-21	Jun-22	Dec-21
	N'000	N'000	N'000	N'000
Balance, beginning of year	4,376,542	3,832,377	4,249,251	3,872,548
Dividend paid	-	(203,027)	-	(203,027)
Total comprehensive income for the year	960,784	747,192	898,211	579,730
Re-statement due to IFRS Adoption consolidation	542	-	-	-
Re-statement due to Arik Air Outstanding Bal. Impairment	-	-	-	-
Cardinal Stone Dividend Payment	-	-	-	-
	<u>5,337,868</u>	<u>4,376,542</u>	<u>5,147,462</u>	<u>4,249,251</u>

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

26 Non controlling interests

	Company	
	Jun-22	Dec-21
	N'000	N'000
As at 31 January	(84,965)	(113,398)
Share of prior year effect of implementation of new standard	-	-
Share of current profit/(losses)	7,576	28,433
As at 30 Jun. 2022	<u>(77,389)</u>	<u>(84,965)</u>

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

27 Loans and borrowings

	Group		Company	
	Jun-22	Dec-21	Jun-22	Dec-21
	N'000	N'000	N'000	N'000
Unsecured at amortised cost:				
Balance at the beginning	-	-	-	-
Addition	-	-	-	-
Interest expense	-	-	-	-
Part Liquidation	-	-	-	-
Interest paid	-	-	-	-
As at 30 Jun. 2022	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Current	-	-	-	-
Non-current	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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

27b

Company as a lessee

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

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

	Group	Company
	N'000	N'000
As at 1 January	1,187,175	1,194,815
Additions	88,862	88,580
Accretion of interest	-	-
Payments	-	-
As at 30th Jun. 2022	<u>1,276,037</u>	<u>1,283,395</u>
Current	-	-
Non-current	<u>-</u>	<u>-</u>
	<u>1,276,037</u>	<u>1,283,395</u>

The following are the amounts recognised in profit or loss:

	Group	Company
	2022	2022
	N'000	N'000
Depreciation expense of right-of-use assets	0	-
Interest expense on lease liabilities	<u>-</u>	<u>-</u>
Total amount recognised in profit or loss	<u>-</u>	<u>-</u>

Notes to the consolidated and separate financial statements

For the period ended 30th June, 2022

28a Trade and other payables

Trade and other payables comprise:

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Trade payables	1,404,504	2,059,662	1,377,254	2,017,233
Other payables	7,393,829	3,374,504	7,063,644	3,347,751
	8,798,333	5,434,166	8,440,898	5,364,984

28b Other payables

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Bond Interest Provisions	-	-	-	-
Management Support Agreement fee	-	-	-	-
VAT Payable	785,192	352,282	785,192	350,266
WHT Payable	80,559	92,004	80,559	87,980
Deferred Income (Nig. Export Promotion Council)	1,000,000	-	1,000,000	-
Other Deferred Income	1,663,050	-	1,663,050	-
Amount due to Government agencies	151,300	148,260	143,464	145,358
Concession fee; FAAN rental & service charge	828,569	756,030	828,569	756,030
Directors Retirement	209,960	211,146	209,960	211,146
Industrial Training Fund	253,905	236,615	253,905	236,615
Staff Participatory Scheme	88,087	59,687	88,087	59,687
Performance Bonus	247,690	233,374	247,690	230,474
Unclaimed Dividend	578,812	578,106	578,812	578,106
Other Accruals	1,506,706	707,000	1,184,357	692,089
	7,393,829	3,374,504	7,063,644	3,347,751

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

29 Deferred income/revenue

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Balance as at 1 January	124,446	57,058	64,960	21,058
Rent received during the year	161,335	139,739	103,466	116,253
Amount released to profit or loss	(104,093)	(72,351)	(104,093)	(72,351)
Balance at end of period	181,688	124,446	64,333	64,960

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

30 Impairment losses

The aging of trade receivables at the reporting date was:

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
Current	2,205,423	826,302	2,202,363	818,099
1- 30 days	(316,285)	32,077	(335,043)	30,292
31-60 days	1,131,969	25,467	1,008,460	17,000
61-90 days	911,535	24,533	902,776	10,000
91-180 days	262,191	215,000	246,664	194,778
181-360 days	200,606	150,784	153,311	103,033
360 days above	598,133	1,050,213	626,641	968,661
	4,993,572	2,324,376	4,805,172	2,141,863
Impairment	(767,069)	(737,495)	(761,303)	(686,303)
	4,226,503	1,586,881	4,043,869	1,455,560

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

	Group		Company	
	Jun-22 N'000	Dec-21 N'000	Jun-22 N'000	Dec-21 N'000
As at 1 January	733,569	844,902	686,303	825,797
Re-statement due to IFRS 9 adoption	-	-	-	-
Impairment recovered	(3)	-	-	-
Derecognition of Assets	-	(12,969)	-	(45,056)
Allowance for expected credit losses	33,503	(94,438)	75,000	(94,438)
As at 30 Jun. 2022	767,069	737,495	761,303	686,303

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

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For the period ended 30th June, 2022

31 Liquidity Risk

Exposure to liquidity risk

	<u>Jun-22</u>	<u>Dec-21</u>
	N'000	N'000
Cash and cash equivalents (Note 22)	3,328,804	1,563,222
Debt instrument at amortized cost (Note 21)	(12,746)	187,168
Trade and other receivables (Note 19)	<u>5,969,190</u>	<u>1,852,927</u>
Total financial assets	<u>9,285,248</u>	<u>3,603,317</u>
Trade & Other payables (Note 28)	8,798,333	4,596,614
Lease Liabilities		
Total financial liabilities	<u>8,798,333</u>	<u>4,596,614</u>
Net cover	<u>486,915</u>	<u>(993,297)</u>

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

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

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

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

Securities Trading Policy

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

Nigerian Aviation Handling Company Plc maintains a Security Trading Policy which guides Directors, Audit Committee members, employees and all individuals categorized as insiders as to their dealing in the Company's shares.

The policy undergoes periodic reviews by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the policy during the period.