

**SKYWAY AVIATION HANDLING COMPANY PLC
(RC:813022)**

**UNAUDITED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
31 MARCH 2022**

SKYWAY AVIATION HANDLING COMPANY PLC

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SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION

REGISTERED NUMBER: RC:813022

TAX IDENTIFICATION NUMBER: 04683753-0001

DIRECTORS:

Barrister (Dr.) Taiwo Afolabi	Chairman
Barrister Chike Ogeah	Vice Chairman
Mr. Basil Agboarumi	Managing Director
Mr. Babatunde Afolabi	Executive Director
Mr. Olaniyi Adigun	Executive Director
Mrs. Boma Ukwunna	Executive Director
Mr. Olutoye Ariyo	Non Executive Director
Dr. Oluropo Owolabi	Non Executive Director
Barrister Oladipo Kayode Filani	Non Executive Director
Captain Shehu Iyal	Non Executive Director
Mr. Anogwi Anyanwu	Independent Director

PRINCIPAL OFFICERS:

Basil Agboarumi	Managing Director/CEO
Olaniyi Adigun	Executive Director -Sales and Marketing
Boma Ukwunna	Executive Director - Cargo Services
Babatunde Afolabi	Executive Director IT and Business Development
James Oriowo	AGM- Engineering and Maintenance
Olugbenga Okeowo	AGM- Operations
Olajide Kafidipe	AGM- Cargo Services
Hamzat Bola Olaniyan	AGM- Billing
Yinka Afolabi Ogungbemi	AGM- Admin Services an Project
Omolara Bello	AGM- Legal/ Company Secretary
Taiwo Olayemi Mogaji	AGM- Internal Audit
Rotimi Omotoso	Chief Finance Officer
Oyeyemi George Ademeso	Head- Business Development
Folorunso Elegbede	AGM - Human Resources
Christie Oseghale	AGM -Safety and Quality Assurance
Adebowale Okunlola	Head -Security
Ayodele Taoheed Sanusi	Head -Procurement

**REGISTERED OFFICE/
OPERATIONAL OFFICE ADDRESS:** 54 Warehouse Road, Apapa, Lagos
Skyway Aviation Handling Company Plc. Complex,
Cargo Terminal,
Murtala Muhammed International Airport,
Ikeja,
Lagos.

COMPANY SECRETARY: Omolara Bello
Skyway Aviation Handling Company Plc. Complex,
Cargo Terminal,
Murtala Muhammed International Airport,
Ikeja,
Lagos State..

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE INFORMATION (CONT'D)

PRINCIPAL BANKERS:

Access Bank Plc.
Eco bank Nigeria Limited
Fidelity Bank Plc.
First Bank of Nigeria Limited
First City Monument Bank Plc.
Guaranty Trust Bank Plc.
Keystone Bank Limited.
Polaris Bank Ltd
Stanbic IBTC Bank Plc.
Sterling Bank Plc.
Union Bank of Nigeria Plc.
United Bank for Africa Plc.
Zenith Bank Plc.

SOLICITORS

Sceptre Law
2c Idowu Olaitan Street,
Gbagada Expressway,
Gbagada Phase II,
Lagos.

H.A. Olaniyan and Co.
2nd Floor Rear Block,
208 Ikorodu Road,
Palmgrove,
Lagos.

REGISTRARS:

First Registrars and Investors Services Limited
2 Abebe Village Road, Iganmu
Postal 12242
Lagos State.

SKYWAY AVIATION HANDLING COMPANY PLC

DIRECTORS' CERTIFICATION REPORT FOR THE THREE MONTHS ENDED 31 MARCH, 2022

We have reviewed the condensed financial statements of Skyway Aviation Handling Company Plc for the period ended 31 March, 2022

Based on our knowledge, these condensed financial statements do not;

- (a) Contain any untrue statement or a material fact or;
- (b) Omit to state material fact, which would make the statement misleading in the light of the circumstance under which such statements were made
- (c) The condensed financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for the periods presented in the condensed financial statements

The Directors are responsible for establishing and maintaining internal controls;

we have;

i designed such internal controls to ensure that material information relating to the Company is made known to us by others within the Company, particularly during the period in which this report is being prepared;

ii continuously evaluated the effectiveness of the Company's internal controls on a quarterly basis;



.....
Barr. (Dr.) Taiwo Afolabi
Chairman
FRC/2015/NBA/00000013106
Date:April.21, 2022



.....
Mr. Agboarumi Basil
Managing Director/CEO
FRC/2019/IODN/00000019784
Date:April.21, 2022



.....
Mr. Rotimi Omotoso
Chief Financial Officer
FRC/2016/ICAN/00000014593
Date:April.21, 2022

SKYWAY AVIATION HANDLING COMPANY PLC

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	NOTE	Unaudited 3 Months Ended 31 March 2022 ₦'000	Unaudited 3 Months Ended 31 March 2021 ₦'000	Audited Year Ended 31 Dec., 2021 ₦'000
Revenue	3	2,558,278	1,997,175	8,707,448
Direct cost	4	(1,575,034)	(1,163,565)	(4,850,679)
Gross profit		983,244	833,610	3,856,770
Other operating income	5	18,401	21,720	69,075
Administration expenses	6	(885,763)	(669,887)	(3,222,661)
Profit from operation		115,882	185,443	703,185
Finance Income	7	4,461	56	98,116
Finance expense	7	(34,753)	(15,836)	(236,152)
Operating profit before taxation		85,590	169,663	565,148
Tax expense	27	(78,430)	(76,294)	(283,118)
Profit for the period		7,158	93,369	282,030
Other comprehensive income				
Item that will not be reclassified to profit or loss				
(Reversal)/recognition of actuarial loss on defined benefit obligation	20	-	-	-
Recognition of related tax on defined benefit obligation	27	-	-	83,366
Other comprehensive income for the year, net of tax		-	-	83,366
Total comprehensive income for the year		7,158	93,369	365,396
Earnings per share				
Basic earnings - kobo	25	1	7	21
Diluted earnings - kobo	25	1	7	21

The accompanying notes form an integral part of these condensed financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT,

		Unaudited	Unaudited	Audited
		31 March 2022	31 March 2021	31 Dec., 2021
	NOTE	₦'000	₦'000	₦'000
NON-CURRENT ASSETS				
Property, plant and equipment	9	13,959,883	13,287,810	13,621,684
Investment properties	10	748,471	711,033	755,858
Intangible assets	11	4,078,145	4,065,590	4,066,762
Deferred tax assets	28	649,449	523,961	649,449
		19,435,948	18,588,394	19,093,753
CURRENT ASSETS				
Inventories	12	358,336	239,873	310,763
Trade and other receivables	13	3,678,652	2,596,489	3,368,616
Cash and cash equivalent	14	1,217,731	2,076,886	1,834,458
		5,254,719	4,913,248	5,513,837
TOTAL ASSETS		24,690,667	23,501,642	24,607,590
EQUITY				
Share capital	19	676,790	676,790	676,790
Share premium	24	4,784,010	4,784,010	4,784,010
Retained earnings	21	4,630,906	4,658,426	4,623,748
Actuarial valuation reserve	23	167,850	84,484	167,850
Revaluation reserve	22	9,088,895	9,088,895	9,088,895
		19,348,451	19,292,605	19,341,293
NON-CURRENT LIABILITIES				
Long term borrowings	16	-	-	136,700
Deferred income	26	97,520	94,745	29,206
Defined Benefit Obligations	20	1,724,884	1,418,232	1,669,197
		1,822,404	1,512,977	1,835,103
CURRENT LIABILITIES				
Trade payable and other payables	15	2,597,392	2,015,297	2,704,471
Short term borrowings	16	196,432	269,356	79,166
Deferred income	26	83,055	35,273	83,055
Current income tax liabilities	27	642,932	376,132	564,502
		3,519,812	2,696,060	3,431,194
TOTAL EQUITY AND LIABILITIES		24,690,667	23,501,642	24,607,590

The condensed financial statements were approved by the Board of Directors onApril.21, 2022 and signed on its behalf by:

.....
Barr. (Dr.) Taiwo Afolabi, MON
Chairman
FRC/2015/NBA/00000013106

.....
Mr. Agboarumi Basil
Managing Director/CEO
FRC/2019/IODN/00000019784

.....
Mr. Rotimi Omotoso
Chief Financial Officer
FRC/2016/ICAN/00000014593

The accompanying notes form an integral part of these condensed financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	SHARE CAPITAL N'000	SHARE PREMIUM N'000	RETAINED EARNINGS N'000	ACTUARIAL VALUATION RESERVE N'001	REVALUATION RESERVE N'000	TOTAL EQUITY N'000
Balance at 1 January 2021	676,790	4,784,010	4,565,059	84,484	9,088,895	19,199,238
Total Comprehensive Income for the year						
Profit for the year	-	-	282,030	-	-	282,030
Dividend Paid	-	-	(223,342)	-	-	(223,342)
Other comprehensive loss for the year	-	-	-	83,366	-	83,366
Total Comprehensive Income for the year	-	-	58,688	83,366	-	142,054
Transactions with owners recorded directly in equity						
Issue of Shares	-	-	-	-	-	-
Balance at 31 December 2021	676,790	4,784,010	4,623,747	167,850	9,088,895	19,341,292
Balance at 1 January 2021	676,790	4,784,010	4,565,059	84,484	9,088,895	19,199,238
Total Comprehensive Income for the year						
Profit for the period	-	-	93,369	-	-	93,369
Other comprehensive income for the period	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	93,369	-	-	93,369
Transactions with owners recorded directly in equity						
Issue of Shares	-	-	-	-	-	-
Balance at 31 March 2021	676,790	4,784,010	4,658,428	84,484	9,088,895	19,292,607
Balance at 1 January 2022	676,790	4,784,010	4,623,747	167,850	9,088,895	19,341,292
Total Comprehensive Income for the year						
Profit for the period	-	-	7,158	-	-	7,158
Other comprehensive income for the period	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	7,158	-	-	7,158
Transactions with owners recorded directly in equity						
Issue of Shares	-	-	-	-	-	-
Balance at 31 March 2022	676,790	4,784,010	4,630,906	167,850	9,088,895	19,348,450

The accompanying notes form an integral part of these condensed financial statements.

SKYWAY AVIATION HANDLING COMPANY PLC

CONDENSED STATEMENT OF CASH FLOWS FOR THE THREE MONTHS ENDED 31 MARCH, 2022

		Unaudited 3 Months Ended 31 March 2022 NOTE	Unaudited 3 Months Ended 31 March 2021	Audited Year Ended 31 Dec., 2021 N'000
		N'000		N'000
Cash flows from operating activities:				
Profit for the period		85,590	169,663	565,148
Adjustments for net income to net cash provided by operating activities				
Finance Expenses	7	6,837	7,720	236,152
Allowance for impairment on Receivables		-	-	146,673
Provision for Employee benefit	20	77,221	43,534	165,910
Investment Property- Depreciation	10	7,387	3,092	20,764
Intangible Asset- Amortisation		443	316	1,644
Property Plant & Equipment-Depreciation	9	500,306	449,953	1,851,000
		677,783	674,277	2,987,292
Changes in working capital				
(Increase)/decrease in trade and other receivables		(310,035)	411,926	(506,873)
(Increase)/decrease in inventories		(47,573)	(62,462)	(133,351)
(Decrease)/ increase in trade and other payables		(107,080)	(338,366)	350,811
Increase in deferred income		68,313	18,089	331
Cash generated from operations		281,409	703,466	2,698,210
Tax paid	27	-	-	(60,577)
Payment made by the employer on the Employee Benefit	20	(21,534)	-	(77,655)
Finance expenses paid		(6,837)	(7,720)	(29,947)
Net cash inflow from operating activities		253,037	695,746	2,530,031
Cash flows from investing activities				
Purchase of property, plant and equipment	9	(838,506)	(486,304)	(2,221,190)
Investment Properties	10	-	(330,504)	(393,001)
Purchase of Intangible asset	11	(11,825)	-	(2,500)
Net cash outflow used in investing activities		(850,331)	(816,808)	(2,616,691)
Financing Activities:				
Dividend		-	-	(223,341)
Repayment of borrowings	16	(19,434)	(17,465)	(70,955)
Net cash inflow used in financing activities		(19,434)	(17,465)	(294,296)
Net increase/ (decrease) in cash and cash equivalents		(616,727)	(138,527)	(380,956)
Cash and cash equivalents at the beginning		1,834,458	2,215,414	2,215,414
Cash and cash equivalents at the end	14	1,217,731	2,076,886	1,834,458

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH, 2022

1 General Information

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

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

In 2018, SAHCOL undertook a business combination with Skypower wherein both companies were consolidated with SAHCOL as the surviving entity.

Skyway Aviation Handling Company Limited became a Public Limited Company on 5th October, 2018.

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

2 Significant accounting policies

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

2.1 Statement of Compliance

The condensed financial statements for the period ended 31 March 2022 have been prepared in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (together "IFRS") and requirements of the Companies and Allied Matters Act (CAMA) of Nigeria and the Financial Reporting Council (FRC) Act of Nigeria.

Skyway Aviation Handling Company Limited has consistently applied the same accounting policies and methods of computation in its financial statements as in its 2021 financial statements.

None of the new standards, interpretations and amendments, effective for the first time from 1st January 2022, have had a material effect on the financial statements.

2.2 Basis of preparation

These condensed accounts do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2021 Financial Statements.

The financial statements have been prepared under the historical cost convention except for some financial assets and liabilities measured at fair value and amortised cost; inventory at net realisable value; and the liability for defined benefit obligations is recognised as the present value of the defined benefit obligation and related current service cost.

2.3 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

3

REVENUE

The Company generates revenue primarily from foreign and domestic handling, cargo handling and equipment rental. Other sources of revenue include rental income from investment properties.

	3 Months Ended 31 March 2022	3 Months Ended 31 March 2021
	₦'000	₦'000
Revenue from contract with Customers	2,525,514	1,984,930
Other revenue		
Investment Properties Rental Income	32,763	12,244
Total Revenue	<u>2,558,278</u>	<u>1,997,175</u>

3.1 Disaggregation of revenue from contracts with customers:☒

The revenue from contracts with customers is disaggregated by major service lines and timing of revenue recognition.

	3 Months Ended 31 March 2022	3 Months Ended 31 March 2021
	₦'000	₦'000
i. Major Service Lines		
Foreign Handling	490,725	303,670
Domestic Handling	478,565	153,733
Ad-hoc Handling	11,116	3,621
Cargo Handling Income	1,232,854	1,291,770
Cargo Handling -Export	153,444	143,303
VIP Lounge Service Income	4,058	635
Equipment Rental	142,184	73,688
Haulage/Crew Bus Services	5,398	10,061
DCS/PAX Handling Income	-	177
Airport Security Services	7,170	-
Christian Pilgrimage Handling	-	4,273
	<u>2,525,514</u>	<u>1,984,931</u>
Discount Allowed	-	-
	<u>2,525,514</u>	<u>1,984,931</u>
ii. Timing of revenue recognition		
Service transferred at a point in time	2,525,514	1,984,930
Service transferred over time	32,763	12,244
	<u>2,558,278</u>	<u>1,997,174</u>

3.2 Contract balances

The following provides information about receivables, contract assets and contract liabilities from contracts with customers.

	3 Months Ended 31 March 2022	3 Months Ended 31 March 2021
	₦'000	₦'000
Contract liabilities	180,575	130,019
	<u>180,575</u>	<u>130,019</u>

The contract liabilities primarily relate to the advance consideration received from tenants for rent of the investment properties, for which revenue is recognised upon usage by the tenants.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

3.3 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

3.4 Description of Major Sources of income:

Foreign and Domestic Handling: This include income from aircraft handling raised for Ramp Services, passenger profiling, security and baggage handling(Loading and offloading).

Cargo Handling: These includes income from Cargo documentation services rendered to airlines which include import and export cargo facilitation through Nigeria's biggest network of customers bonded warehouses in Lagos, Kano, Abuja and Port-Harcourt, using Hermes computerisation system which ensures safe storage and easy retrieval of cargos

Equipment rental and maintenance: The company leases it equipment to airlines for services that are not covered in the standard Ground Handling Agreement.

	3 Months Ended 31 March 2022	3 Months Ended 31 March 2021
4	N'000	N'000
DIRECT COST		
Cargo Shed/ Warehouse	143,737	93,316
Concession Fees	136,154	103,080
Oil and Lubricants	35,613	17,916
VIP Lounge	500	473
DCS/Check-In Counter Expenses	11,826	1,501
Baggage Logistics Expenses	980	114
Equipment Running	167,375	88,755
Equipment Repairs	144,812	85,592
RAMP	42,118	(1,465)
Cargo Warehouse Incentives	1,000	2,135
Direct Labour Cost	502,853	422,191
Other Direct Costs	7,112	635
Miscellaneous Cost	11,838	6,113
	<u>1,205,918</u>	<u>820,356</u>
Depreciation	<u>369,116</u>	<u>343,210</u>
	<u>1,575,034</u>	<u>1,163,565</u>

Expenses by nature have been disclosed in the statement of comprehensive income as above.

Costs directly relates to income generating activities are labeled as direct cost. Depreciation of assets used directly in generating revenue are classified as part of direct cost.

	3 Months Ended 31 March 2022	3 Months Ended 31 March 2021
5	N'000	N'000
OTHER INCOME		
Electricity bills, scrap and other miscellaneous income	<u>18,401</u>	<u>21,720</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH, 2022

6	3 Months Ended	3 Months Ended
	31 March 2022	31 March 2021
	₦'000	₦'000
ADMINISTRATION EXPENSES		
Employee benefit expenses (Note 8)	346,528	299,866
Depreciation & amortisation	139,020	110,151
Printing and stationery	12,134	12,263
Transport and traveling	29,915	7,766
Vehicle running expenses	17,095	14,361
Telecommunication and courier	9,752	6,619
Staff training and development	25,647	23,567
Advertisement and publications	522	2,500
Public relations	5,210	2,700
Sales promotion	3,000	200
Subscription	2,447	895
Newspaper, periodical and magazine	287	189
Rent and electricity	42,434	53,517
Medical expenses	33,757	20,950
Insurance premium	33,028	14,421
Legal expenses	4,118	600
Audit fees	-	-
Repairs of office equipment	3,289	432
Repairs and maintenance of building	35,716	10,216
Entertainment	9,792	2,312
Gifts and donations	5,053	2,000
Hotel and accommodation	8,326	804
Repair of furniture and fittings	6,432	4,064
Computer support and accessories	15,963	8,533
Lighting and fitting expenses	4,734	3,892
Premises upkeep and cleaning	13,923	14,737
Special security expenses	5,723	4,468
Office running expenses	3,185	4,513
Board meeting expenses	6,700	5,150
Recruitment expenses	-	-
Staff welfare expenses	5,500	7,150
Professional and business fees	8,829	6,382
Directors expenses	24,050	3,000
Debt Written off	-	-
Bank charges	7,773	12,702
Government levies	6,686	1,315
Impairment Allowance on Receivables	-	-
Other expenses	9,196	7,652
	885,763	669,887

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED)

FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	3 Months Ended 31 March 2022 ₦'000	3 Months Ended 31 March 2021 ₦'000
7		
FINANCE INCOME AND FINANCE COST		
Finance Income		
Interest Income	4,461	56
Interest on defined benefit obligation	-	-
	<u>4,461</u>	<u>56</u>
Finance Expense		
Interest on loan	6,837	7,720
Interest on defined benefit obligation	-	-
	<u>6,837</u>	<u>7,720</u>
Foreign exchange Loss/(Gain)	27,916	8,115
	<u>34,753</u>	<u>15,836</u>

8

EMPLOYEE BENEFIT EXPENSES

Salaries and wages	178,447	153,138
Pension fund contribution	10,560	9,413
Leave allowance	12,244	11,495
Gratuity and terminal benefits	77,276	67,831
Overtime	5,803	4,775
13th month salary	47,051	41,786
Other allowance	3,485	1,050
ITF contribution	6,055	5,396
NSITF Employee Compensation	5,607	4,981
	<u>346,528</u>	<u>299,866</u>

	3 Months Ended 31 March 2022 Number	3 Months Ended 31 March 2021 Number
8.1		
The Average number of employees per department:		
Operations	1,041	1,041
Administrations	45	45
	<u>1,537</u>	<u>1,086</u>

8.2

Employees remuneration Scale

RANGE

< 1000000	594	594
1000000-2000000	413	413
2000001-3000000	52	52
3000001-4000000	13	13
4000001-5000000	11	11
5000001-6000000	-	-
6000001-7000000	-	-
7000001-8000000	-	-
8000001-14000000	3	3
	<u>1086</u>	<u>1086</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

9

PROPERTY, PLANT AND EQUIPMENTS

	Leasehold Land N'000	Building N'000	Motor Vehicle and Trucks N'000	Plant and Machinery N'000	Furniture, Fixture and Fittings N'000	Computer Equipment N'000	Office Equipment N'000	Sundry Tools N'000	Total N'000
Cost:									
At 1 January 2021	40,950	4,841,014	222,793	12,428,344	602,413	94,405	240,102	106,447	18,576,468
Charge for the year	-	22,521	181,500	1,846,376	131,698	21,756	10,226	7,113	2,221,190
At 31 December 2021	40,950	4,863,535	404,293	14,274,720	734,111	116,160	250,328	113,560	20,797,657
Additions	-	8,611	52,200	735,609	23,705	2,123	188	16,070	838,506
At 31 March 2022	40,950	4,872,146	456,493	15,010,329	757,815	118,283	250,516	129,630	21,636,163
Accumulated Depreciation:									
At 1 January 2021	30,030	524,218	145,881	3,987,818	415,368	51,754	131,494	38,445	5,325,009
Charge for the year	-	181,498	66,588	1,385,282	140,847	13,338	44,144	19,268	1,850,965
At 31 December 2021	30,030	705,717	212,469	5,373,100	556,215	65,093	175,637	57,713	7,175,974
Charge for the period	-	45,325	24,937	369,116	40,229	3,972	10,960	5,767	500,306
At 31 March 2022	30,030	751,041	237,406	5,742,216	596,444	69,064	186,598	63,480	7,676,280
Carrying amount:									
At 31 March 2022	10,920	4,121,104	219,087	9,268,113	161,371	49,219	63,918	66,150	13,959,883
At 31 December 2021	10,920	4,157,818	191,824	8,901,620	177,896	51,068	74,691	55,847	13,621,684

Property, plant and equipment includes right-of-use assets of N10.9 Million related to leased hold land.

9.1 Revaluation

The Company's Property, Plant & Equipment were revalued on March 29, 2018 by Messrs. Ubosi Eleh & Company (FRC/2014/NIESV/00000003997) an accredited independent valuer who has valuation experience for similar offices using the Market Value Basis of valuation.

Leasehold Land is stated at cost and as such do not fall under any class of the revalued assets by the Independent Valuers.

9.2 Assets pledged as security

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

9.3 Depreciation charged during the period are included in:

	3 Months Ended 31 March 2022 N'000	3 Months Ended 31 March 2021 N'000
Cost of sales	369,116	343,210
Administrative expenses	131,190	106,743
	<u>500,306</u>	<u>449,953</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

10

INVESTMENT PROPERTIES

	Building
Cost	₦'000
At 1 January 2021	451,172
Additions	393,001
At 31 December 2021	844,173
Additions	-
At 31 March 2022	844,173
Accumulated Depreciation	
At 1 January 2021	67,551
Charge for the period	20,764
At 31 December 2021	88,316
Charge for the period	7,387
At 31 March 2022	95,702
Carrying amount	
At 31 March 2022	748,471
At 31 December 2021	755,858

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

a) Description of the Investment Properties

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

	31 March	31 March
	2022	2021
	₦'000	₦'000
b) Net amounts recognised in profit or loss for investment properties are as follows:		
Rental income	32,763	12,244
Direct operating expenses	(25,001)	(7,151)
Depreciation	(7,387)	(3,092)
	<u>375</u>	<u>2,001</u>

Depreciation has been included in Administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

c) Non-current assets pledged as security

Refer to note 9.2 for information on non-current assets pledged as security by the company.

d) Contractual obligations

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

e) Leasing arrangements

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

	Unaudited 3 Month Ended 31 March 2022 N'000	Audited Year Ended 31 Dec., 2021 N'000
Within one year	83,055	83,055
Later than one year but not later than 5 years	97,520	29,206
	<u>180,575</u>	<u>112,262</u>

11

INTANGIBLE ASSETS

	Website N'000	Software N'000	Goodwill N'000	Total N'000
Cost				
At 1 January 2021	1,050	7,802	4,057,388	4,066,240
Additions	-	2,500	-	2,500
At 31 December 2021	<u>1,050</u>	<u>10,302</u>	<u>4,057,388</u>	<u>4,068,740</u>
Addition	-	11,825	-	11,825
At 31 March 2022	<u>1,050</u>	<u>22,127</u>	<u>4,057,388</u>	<u>4,068,740</u>
Amortisation				
At 1 January 2021	298	37	-	334
Amortisation	-	1,644	-	1,644
At 31 December 2021	<u>298</u>	<u>1,681</u>	<u>-</u>	<u>1,978</u>
Amortisation	53	390	-	443
At 31 March 2022	<u>350</u>	<u>2,071</u>	<u>-</u>	<u>2,421</u>
Carrying amount				
At 31 March 2022	<u>700</u>	<u>20,056</u>	<u>4,057,388</u>	<u>4,078,145</u>
At 31 December 2021	<u>753</u>	<u>8,621</u>	<u>4,057,388</u>	<u>4,066,762</u>

a

Impairment test

There was no impairment loss on Goodwill during the period.

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
12		
INVENTORIES		
Spares	352,915	300,172
Oil and lubricants	5,421	10,589
	358,336	310,763

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

The company's inventories were also not written down during the period (2021 : Nil).

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
13		
TRADE AND OTHER RECEIVABLES		
Trade Receivables	2,828,679	2,653,390
Less: Allowance for Impairment (Note 13(a)(i))	(1,294,688)	(1,294,688)
	1,533,991	1,358,702
Due from related parties (Note 18.2)	621,557	609,303
Advance to Suppliers (Note 13(b))	1,193,671	1,142,135
Other Receivables (Note 13(c))	167,305	141,483
Staff Loan (Note 13(d))	83,883	66,251
Prepayments (Note 13(e))	78,243	50,742
	3,678,652	3,368,616

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

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
a) Allowance for impairment		
Balance at the beginning of the period	1,450,688	1,304,015
Bad Debts Written Off	-	-
Allowance for Impairment for the period	-	146,673
Balance at end of the period	1,450,688	1,450,688

i.) Allowance for impairment is further analysed below

Trade Receivables	1,294,688	1,294,688
Advance to Suppliers	105,000	105,000
Other Receivables	51,000	51,000
	1,450,688	1,450,689

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
b) Advance to Suppliers		
Cash with Suppliers	1,298,671	1,247,135
Allowance for impairment of advance to suppliers (Note 13(a)(i))	(105,000)	(105,000)
	1,193,671	1,142,135
c) Other Receivables		
Staff Advance for Expenses	46,096	57,585
Withholding Tax Receivables	121,209	83,898
Loan to ABX World	51,000	51,000
Allowance for impairment of loan to ABX World (Note 17(a)(i))	(51,000)	(51,000)
	167,305	141,483

d) Staff Loan

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

e) Prepayments

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

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
14		
CASH AND CASH EQUIVALENTS		
Cash	10,892	6,204
Bank	828,266	1,379,458
Short term deposits	378,572	448,795
	1,217,731	1,834,457

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

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
Cash	10,892	6,204
Bank	828,266	1,379,458
Short term deposits	378,572	448,795
	1,217,731	1,834,458
Bank Overdrafts	-	-
	1,217,731	1,834,458

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
15		
TRADE AND OTHER PAYABLES		
Trade Payables	653,753	841,367
Customers Deposits	-	429,653
Due to Related Parties (Note 18.2)	-	-
Provision for concession fee	677,382	546,081
Other Payables	253,714	15,803
Accruals (Note 15.2)	389,213	321,617
Statutory obligations payables – tax and social security payments (Note 15.3)	623,330	549,950
	2,597,392	2,704,471
15.1		
Terms and conditions of the above financial liabilities:		
• Trade payables are non-interest bearing and are normally settled within 12months.		
• Other payables are non-interest bearing and have an average term of 6months.		
	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
15.2		
Accruals		
Stamp Duties	15,632	14,964
Others	373,582	306,654
	389,213	321,617
15.3		
Statutory obligation payables – tax and social security payments		
Withholding tax payables	14,879	9,282
Value added tax payable	274,389	234,965
ITF contribution	4,304	2,054
NSITF contribution payable	25,225	23,142
Pension	177,449	151,095
PAYE	15,258	13,880
Cooperative and thrift	111,020	113,898
Union dues	806	793
National Housing Fund	1	1
Payroll Clearance	-	839
	623,330	549,950

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
16		
BORROWINGS		
United Bank for Africa Plc.	196,432	215,866
	196,432	215,866
Classification of borrowings:		
Current	196,432	79,166
Non Current	-	136,700
	196,432	215,866

United Bank for Africa Plc.-Term Loan

This is a facility of ₦319,041,494.72(€768,608) which was sourced to purchase a ground handling equipment. The facility is for a tenor of 4 years effective 2020. The interest rate is floating at 14% p.a below the lender's prime lending rate currently 25% per annum giving an initial gross interest rate of 11% per annum. The facility is secured against fixed and floating assets of the company and personal guarantee of the Chairman.

17

Reconciliation of movements of Liabilities to cash flows arising from Financing Activities

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
Opening Balance	215,866	286,821
Changes from Financing Cash flows		
Additional Borrowing	-	-
Repayment of Borrowings	(19,434)	(70,955)
Other Changes		
Interest Expense	6,837	29,947
Interest Paid	(6,837)	(29,947)
	-	-
Closing amount as at ending	196,432	215,866

18

RELATED PARTY

The company entered into various transaction with related parties in the ordinary course of business.

Details of the transactions between the Company and other related parties are disclosed below:

18.1 Identity of Related Party

Port and Cargo Handling Services Company Limited

Sifax Shipping Company Limited

Port and Cargo Handling Services Company Limited

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

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

Sifax Shipping Company Limited

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

18.2 Outstanding Balances

Due to related entities

Port and Cargo Handling Services Company Limited
Sifax Shipping Company Limited
Sifax Off dock Nigeria Ltd

	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
	-	-
	-	-
	-	-
	-	-

Due from related entities

Sifax Shipping Company Limited

	621,557	609,303
	621,557	609,303

19

SHARE CAPITAL

Authorised:

Ordinary shares of 50k each
(2019: Ordinary shares of 50k each)

	Unaudited 3 Months Ended 31 March 2022 Unit	Audited Year ended 31 Dec., 2021 Unit
	1,500,000,000	1,500,000,000

Issued and fully paid

Ordinary shares of 50k each
(2019: Ordinary shares of 50k each)

	1,353,580,000	1,353,580,000
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	Unaudited 3 Months Ended 31 March 2022 N'000	Audited Year ended 31 Dec., 2021 N'000
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Authorised:

Balance at the beginning of the period
Issued during the period
Balance at the end of the period

	750,000	750,000
	-	-
	750,000	750,000

Issued and fully paid

Balance at the beginning of the period
Issued during the period
Balance at the end of the period

	676,790	676,790
	-	-
	676,790	676,790

All ordinary shares rank equally with regard to the Company's residual assets

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

20 Employee Benefits Obligation

a) Defined Contribution Plan

The company operates a defined contribution pension scheme in line with the provisions of the Pension Reform Act, 2004, with contributions based on the employees' emoluments in the ratio 8% by the employee and 12% by the employer.

	Unaudited	Audited
	3 Months Ended	Year ended
	31 March 2022	31 Dec., 2021
	N'000	N'000
Balance at beginning	151,095	129,557
Charge to profit or loss	80,070	123,678
Payments during the period	(53,716)	(102,140)
Balance at the end	<u>177,449</u>	<u>151,095</u>

The company's contributions to this scheme is charged to the profit or loss account in the period to which they relate. Contributions to the scheme are managed by Stanbic IBTC pension manager, and other appointed pension managers on behalf of the beneficiary staff in line with the provisions of the Pension Reform Act.

Consequently, the company has no legal or constructive obligations to pay further contributions if the funds do not hold sufficient assets to meet the related obligations to employees.

b) Defined Benefit Plan

The Company also has a retirement benefits policy for all its full-time employees who have served the company for a minimum of 1 year. The company has a post-retirement programme for any employee who has attained the terminal age limit of 60years and 35 years in service whichever is earlier.

The amount included in the statement of financial position as a result of the entity's obligation in respect of its defined benefit plans is as follows:

	Unaudited	Audited
	3 Months Ended	Year ended
	31 March 2022	31 Dec., 2021
	N'000	N'000
Present value of the defined benefit plan	1,724,884	1,669,197
Fair value of plan assets	-	-
Funded Status	<u>1,724,884</u>	<u>1,669,197</u>

Reconciliation of change in the present value of the defined benefit plan are as follows:

	Unaudited	Audited
	3 Months Ended	Year ended
	31 March 2022	31 Dec., 2021
	N'000	N'000
Statement of Financial Position - Opening	1,669,197	1,374,699
Net Periodic Benefit Cost recognised in the Profit or loss	77,221	297,627
Benefit paid by employer during the period	(21,534)	(77,655)
Amount recognised in Other Comprehensive income	-	74,526
	<u>1,724,884</u>	<u>1,669,197</u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	Unaudited 3 Months Ended 31 March 2022 ₦'000	Audited Year ended 31 Dec., 2021 ₦'000
21		
RETAINED EARNINGS		
As at beginning of the period	4,623,748	4,565,060
Profit for the period	7,158	282,030
Dividend	-	(223,342)
As at the end of the period	<u><u>4,630,906</u></u>	<u><u>4,623,748</u></u>

22		
REVALUATION RESERVE		
As at beginning of the period	9,088,895	9,088,895
Other Comprehensive Income	-	-
As at the end of the period	<u><u>9,088,895</u></u>	<u><u>9,088,895</u></u>

The revaluation reserve relates to the revaluation of Property, Plant & Equipment (Refer to Note 9.1).

	Unaudited 3 Months Ended 31 March 2022 ₦'000	Audited Year ended 31 Dec., 2021 ₦'000
23		
ACTUARIAL VALUATION RESERVE		
As at beginning of the period	167,850	84,484
Other Comprehensive Income	-	83,366
As at the end of the period	<u><u>167,850</u></u>	<u><u>167,850</u></u>

24		
SHARE PREMIUM		
As at beginning of the period	4,784,010	4,784,010
Issued during the period	-	-
As at the end of the period	<u><u>4,784,010</u></u>	<u><u>4,784,010</u></u>

25 **EARNINGS PER SHARE**

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

	Unaudited 3 Months Ended 31 March 2022 ₦'000	Audited Year ended 31 Dec., 2021 ₦'000
Net profit attributable to ordinary equity holders	<u><u>7,158</u></u>	<u><u>282,030</u></u>
	Number	Number
Weighted average number of ordinary shares	<u><u>1,353,580,000</u></u>	<u><u>1,353,580,000</u></u>
Basic earning per Ordinary Shares (Kobo)	<u><u>1</u></u>	<u><u>21</u></u>
Diluted earnings per ordinary shares (Kobo)	<u><u>1</u></u>	<u><u>21</u></u>

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

	Unaudited 3 Months Ended 31 March 2022 ₦'000	Audited Year ended 31 Dec., 2021 ₦'000
26		
DEFERRED INCOME		
Rental Income	180,575	112,261
Amount received during the period are categorized as follows:		
Current portion	83,055	83,055
Non-Current portion	97,520	29,206
	180,575	112,261
27		
INCOME TAX LIABILITY		
The major components of income tax expense for the period are:		
As per profit or loss:		
Current income tax charge:		
Income tax	62,744	260,170
Education tax	15,686	65,043
Police Levy		28
Total Current Tax	78,430	325,241
Deferred tax:		
Origination and reversal of temporary differences (Note 33)	-	(42,123)
Total Deferred Tax	-	(42,123)
Income Tax Expense	78,430	283,119
As per other comprehensive Income:		
Origination and reversal of temporary differences	-	(83,366)
As Per Statement of Financial Position:		
As at beginning of the period	564,502	299,838
Current income tax charge for the period	78,430	325,241
	642,932	625,078
Less: Payment during the period		
Withholding Tax Credit Notes	-	-
Cash	-	(60,577)
As at the end of the period	642,932	564,502
28		
DEFERRED TAX LIABILITIES/(ASSETS)		
As Per Statement of Financial Position:		
Summarized Reconciliation of Total deferred tax assets (Net):		
As at beginning of the period	649,449	523,961
Relating to origination and reversal of temporary differences	-	125,488
As at the end of the period	649,449	649,449

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

SKYWAY AVIATION HANDLING COMPANY PLC

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (CONTINUED) FOR THE THREE MONTHS ENDED 31 MARCH, 2022

29

SECURITIES TRADING POLICY

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