SIFAX SAHCO Skyway Aviation Handling Company Plc.

(RC:813022)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

GBENGA BADEJO & CO.

(CHARTERED ACCOUNTANTS)

REANDA

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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	54, Warehouse Road, Apapa, Lagos State	
OPERATIONAL OFFICE ADDRESS:	Skyway Aviation Handling Company Plc. Complex, Cargo Terminal, Murtala Muhammed International Airport, Ikeja, Lagos State.	
COMPANY SECRETARY:	Ms. 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. Ecobank Nigeria Limited Fidelity Bank Plc. First Bank of Nigeria Limited First City Monument Bank Plc. Guaranty Trust Bank Limited Keystone Bank Limited. Polaris Bank Limited Stanbic IBTC Bank Plc. Sterling Bank Plc. Union Bank of Nigeria Plc. United Bank for Africa Plc. Zenith Bank Plc.
INDEPENDENT AUDITORS	Gbenga Badejo and Co. (Chartered Accountants) *A Correspondent Firm of Reanda International* Plot 8A, Ajumobi Olorunoje Street, Off Acme Road, By First Bank, Agidingbi, Ikeja, Lagos State Tel.: 0809-622-7865. Email: info@gbc-consult.com www.gbc-consult.com
SOLICITORS	Sceptre Law 2c, Idowu Olaitan Street, Gbagada Expressway, Gbagada Phase II, Lagos State. H.A. Olaniyan and Co. 2nd Floor Rear Block, 208, Ikorodu Road, Palmgrove, Lagos State.
REGISTRARS:	First Registrars and Investors Services Limited 2, Abebe Village Road, Iganmu, Lagos State.
ADVISERS	J. Ajayi Patunola & Co. FRC/2013/0000000000679 Estate Surveyors & Valuers 3, Adelabu Close, Opp Custom Training College Gate, Off Ola-Ayinde/Toyin Street, Ikeja, Lagos State. Seyi Katola & Co. (Chartered Accountants) FRC/2013/ICAN/00000003609 Actuarial Valuers 1, Babatunde Ladega Street Omole Bus-Stop Lagos State.

SKYWAY AVIATION HANDLING COMPANY PLC

FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020	Increase / (Decrease)	
	₦'000	₦'000	₦'000	%
STATEMENT OF FINANCIAL POSITION ITEMS:				
Total assets	24,607,589	23,626,187	981,402	4.15
Non-current assets	19,093,753	18,224,947	868,806	4.77
Total liabilities	5,266,298	4,426,950	839,348	18.96
Equity	19,341,291	19,199,237	142,053	0.74
Non-current liabilities	1,835,103	1,674,464	160,639	9.59
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ITEMS:				
Revenue	8,707,448	6,981,593	1,725,856	24.72
Direct Cost	4,850,679	3,952,899	897,779	22.71
Gross Profit	3,856,770	3,028,693	828,077	27.34
Profit Before Income Tax	565,148	566,665	(1,517)	(0.27)
Profit for the year	282,030	482,377	(200,346)	(41.53)
Total other comprehensive income / (loss)	83,366	(84,839)	168,205	(198.26)
RATIOS:				
Gross Profit (%)	44	43	0.9	2.10
Net Profit (%)	3	7	(4)	(53.12)
Current Ratio (times)	1.61	1.96	(0.36)	(18.11)
Return on Capital Employed (%)	1	3	(1)	(41.96)
Gearing (%)	5	2	3	145.42
PER SHARE DATA				
Earnings Per Share (Kobo)	21	36	(15)	(41.53)
Dividend Per Share (Kobo)	16.50	16.50	-	-
Net Assets Per Share (Kobo)	1,429	1,418	10	0.74
Number of Issued Ordinary Share Capital (U	1,353,580,000	1,353,580,000	-	-
Market Capitalisation	7,173,974,000	4,331,456,000	2,842,518,000	65.63
Market price per share	5.30	3.20	2.10	65.63

Current ratio indicates the company's ability to pay its current liabilities from its current assets.

Return on capital employed (ROCE) ratio measures the company's profitability and the efficiency with which its capital is employed.

Gearing ratio measures the proportion of the company's borrowed funds to its equity.

Earnings per share and net assets per share are based on profit after taxation and net assets respectively and the number of issued and fully paid ordinary shares at the end of each financial year.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors are pleased to present their annual report on the state of affairs of the Company (also referred to as SAHCO PLC) together with the financial statements for the year ended 31 December 2021.

1 PRINCIPAL ACTIVITIES

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.

2 LEGAL FORM

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.

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.

3 RESULT FOR THE YEAR

The profit after tax recorded by the Company for the year ended 31 December, 2021 was NGN282million (31 December 2020: NGN 482.3 million). Highlights of the Company's operating results for the year ended 31 December 2021 are as follows: -

	31 December 2021 ₦'000	31 December 2020 ₦'000
Revenue	**8,707,448**	**6,981,593**
Profit before taxation	**565,148**	**566,665**
Tax expense	(283,118)	(84,289)
Profit after Taxation	**282,030**	**482,377**
Total other comprehensive income / (loss)	83,366	(84,839)
Total comprehensive income	**365,396**	**397,537**
Earnings Per Share (Kobo)	**21**	**36**

4 OPINION OF THE DIRECTORS

In the opinion of the Board of Directors: -

i. The Financial Statements of the Company together with the notes therein are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December, 2021 and of the financial performance, changes in equity and cash flows for the year then ended and;

ii. As at the date of reporting, there are reasonable grounds to believe that the Company will be able to pay its liabilities as and when they fall due.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

5 DIRECTORS AND DIRECTORS' INTEREST

The names of the Directors that served during the year under review are detailed on page 2. The interests of the Directors in the Issued Ordinary Share Capital of the company are listed below in accordance with Section 301 of the Companies and Allied Matters Act, CAP C20 LFN 2020 and the listing requirements of the Nigerian Exchange Limited:

No of shares held (Unit)
As at 31 December 2021

Directors	Direct	Indirect		
Barr. Dr. Taiwo Afolabi	406,616,989	443,331,091 (SIFAX Shipping Ltd)		
Barr. Chike Ogeah	537,600		-	
Dr. Oluropo Owolabi	332,500		-	
Bar. Oladipo Filani	4,000,000	4,000,000 (Through Kaydidson Nigeria Limited)		
		4,000,000 (Through KFA Investment and Property Dev. Co. Ltd.)		
Mr. Olutoye Ariyo	-		-	
Mr. Babatunde Afolabi	-		-	
Captain Shehu Iyal	-		-	
Mr. Anogwi Anyanwu	50,000		-	
Mr. Basil Agboarumi	55,000		-	
Mr. Olaniyi Adigun	-		-	
Mrs. Boma Ukwunna	-		-	

No of shares held (Unit)
As at 31 December 2020

Directors	Direct	Indirect		
Barr. Dr. Taiwo Afolabi	378,616,989	443,331,091 (SIFAX Shipping Ltd)		
Barr. Chike Ogeah	537,600		-	
Dr. Oluropo Owolabi	5,332,500		-	
Bar. Oladipo Filani	4,000,000	4,000,000 (Through Kaydidson Nigeria Limited)		
		4,000,000 (Through KFA Investment and Property Dev. Co. Ltd.)		
Mr. Olutoye Ariyo	-		-	
Mr. Babatunde Afolabi	-		-	
Captain Shehu Iyal	-		-	
Mr. Anogwi Anyanwu	50,000		-	
Mr. Basil Agboarumi	55,000		-	
Mr. Olaniyi Adigun	-		-	
Mrs. Boma Ukwunna	-		-	

6 APPOINTMENT / RESIGNATION OF DIRECTORS

There were no resignation and/or new appointment into the Board during the year.

7 **ANALYSIS OF SHAREHOLDING**

The shareholding structure of the Company is as stated below:

As at 31 December 2021

Range of Shareholding	No of Holders	Holder %	Holders Cumulative	Units	Units %	Cumulative Units
1 - 1000	580	42.70987	580	331,785	0.02	331,785
1001- 5000	376	27.68778	956	1,167,091	0.09	1,498,876
5001- 10000	138	10.162	1094	1,310,248	0.10	2,809,124
10001- 50000	169	12.44477	1263	4,717,878	0.35	7,527,002
50001- 100000	37	2.724595	1300	3,869,123	0.29	11,396,125
100001- 500000	35	2.57732	1335	7,856,723	0.58	19,252,848
500001- 1000000	5	0.368189	1340	3,075,200	0.23	22,328,048
1000000- 5000000	9	0.662739	1349	28,817,200	2.13	51,145,248
10000001- 500000000	5	0.368189	1354	179,909,112	13.29	231,054,360
50000001-100000000	1	0.073638	1355	58,760,600	4.34	289,814,960
100000000- 1353580000	3	0.220913	1358	1,063,765,040	78.59	1,353,580,000
Grand Total	1358	100%		1,353,580,000	100%	

As at 31 December 2020

Range of Shareholding	No of Holders	Holder %	Holders Cumulative	Units	Units %	Cumulative Units
1 - 1000	530	39.81968	530	331,785	0.02	331,785
1001- 5000	382	28.70023	912	1,167,091	0.09	1,498,876
5001- 10000	144	10.81893	1056	1,310,248	0.10	2,809,124
10001- 50000	174	13.07288	1230	4,717,878	0.35	7,527,002
50001- 100000	43	3.230654	1273	3,869,123	0.29	11,396,125
100001- 500000	36	2.704733	1309	7,856,723	0.58	19,252,848
500001- 1000000	4	0.300526	1313	3,075,200	0.23	22,328,048
1000000- 5000000	9	0.676183	1322	28,817,200	2.13	51,145,248
10000001- 500000000	5	0.375657	1327	179,909,112	13.29	231,054,360
50000001-100000000	1	0.075131	1328	58,760,600	4.34	289,814,960
100000000- 1353580000	3	0.225394	1331	1,063,765,040	78.59	1,353,580,000
Grand Total	1331	100%		1,353,580,000	100%	

SUBSTANTIAL INTEREST IN SHARES

According to the Register of Members as at 31 December, 2021, the following shareholders of the Company hold more than 5% of the issued ordinary share capital of the Company;

	2021		2020	
Shareholders	**No. of share**	**Shareholding (%)**	**No. of share**	**Shareholding (%)**
Sifax Shipping Company Limited	443,331,091	32.75	443,331,091	32.75
Afolabi Taiwo	378,616,989	27.97	378,616,989	27.97
Afolabi Folashade	241,816,960	17.86	241,816,960	17.86
	1,063,765,040	**78.59**	**1,063,765,040**	**78.59**

In line with the Nigeria Exchange Limited's rules on the requirement for all listed companies to maintain a free float of 20% and above, the issued Share capital of the Company in free float is 21.41% as at 31 December, 2021 .

SHAREHOLDERS BY CATEGORY

Category	Count of Holders	Holdings	% Holdings
Individual (Foreign Addresses)	17	229,700	0.02
Corporate Body	44	693,515,356	51.24
Individuals	1297	659,834,944	48.75
	1358	**1,353,580,000**	**100.00**

8 DIVIDEND

The Board of Directors, subsequent to the reporting date, recommended the payment of a dividend of 16.5 kobo (2020: 16.5 kobo) per share on the issued share capital of 1,353,580,000 ordinary shares, amounting to NGN223,340,700 million (2020:NGN223,340,700). The dividend proposed is subject to the approval of shareholders at the next Annual General Meeting (AGM). Withholding tax will be deducted at the point of payment.

9 EMPLOYMENT AND EMPLOYEES

(a) Employment of disabled persons:

The Company has an employment policy which does not discriminate against the disabled persons.

(b) Health Safety and Welfare

The Company is fully committed to employees' well being and would continue to seek better ways of guaranteeing their well being.

(c) Employees Involvement and Training:

The Company attaches great importance to staff training and encourages employees to pursue self development that will impact positively on the Company's service delivery. The Company is committed to keeping employees as fully informed as possible regarding its focus, performance and progress.

10 GIFTS AND DONATIONS

In accordance with Section 43 (2) of the Companies and Allied Matters Act CAP C20 LFN, 2020, the Company did not make any donation or gift to any political party, political association or for any political purpose in the course of the year under review.

The Company made contributions to charitable and non-political organisations amounting to ₦72,254,800 (2020:₦52,000,000) during the year. Details of the Charitable Gifts and Donations are as follows;

As at 31 December 2021

	Amounts
	₦
AAA Foundation	12,000,000
Others	60,254,800
	72,254,800

As at 31 December 2020

	Amounts
	₦
AAA Foundation	12,000,000
Coalition Against COVID-19 (CACOVID)	40,000,000
	52,000,000

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021

11 PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment during the year are shown in Note 13. In the opinion of the Directors, the market value of the Company's property, plant and equipment are not less than the value shown in the financial statements.

12 ACQUISITION OF OWN SHARES

The Company did not purchase any of its own shares during the year.

13 EVENTS AFTER THE REPORTING PERIOD

A dividend of 16.5kobo was proposed by the directors for approval at the Annual General Meeting . This will result in a dividend payment of ₦223,340,700 once it is approved by the shareholders at the Annual General Meeting.

14 WHISTLE BLOWING POLICY

The Board encourages the exposure of unethical practices and all reported cases are investigated while the whistle blower is protected. SAHCO's whistle blowing policy is displayed on the Company's website and strategic places at the Head Office. SAHCO Plc. conducts its business with integrity and diligence and with total consideration for the interest of the shareholders and other stakeholders.

15 COMPLAINTS MANAGEMENT POLICY

SAHCO Plc is committed to providing high standards of services for shareholders including a platform for efficient handling of shareholders' complaints and enquiries, enabling shareholders to have shareholder related matters acknowledged and addressed, providing sufficient resources to ensure the shareholders' complaints and enquiries are dealt with adequately, and in an efficient and timely manner and facilitating efficient and easy access to shareholders' information.

The Company has therefore formulated a Complaint Management policy designed to ensure the complaints and enquiries from the Company's shareholders are managed in a fair, impartial, efficient and timely manner.

Furthermore, this policy has been prepared in recognition of the importance of effective engagement in promoting shareholders / investors' confidence in the company.

This policy sets out the broad framework by which Skyway Aviation Handling Company Plc. ("SAHCO PLC") and its Registrar will provide assistance regarding shareholder issues and concerns. It also provides the opportunity for Skyway Aviation Handling Company Plc.'s shareholders to provide feedback to the company on matters that affect shareholders.

This policy only relates to the Company's shareholders and does not extend to its customers, suppliers or other stakeholders.

16 INSIDER INFORMATION POLICY

The Company has a policy on insider information and prohibition of Insider dealings as required by rules and regulations and the policy has been made publicly available to all stakeholders.

Skyway Aviation Handling Company Plc.'s Insider Information policy is to generally ensure the board members, employees and its external stakeholders who have knowledge of confidential and potentially price sensitive information are aware of the prohibition imposed by law against using, disclosing (other than in the normal course of the performance of their duties) or encouraging transactions in securities on the basis of such insider information. In addition to obligations imposed by law, Skyway Aviation Handling Company Plc. wants board members, employees and external stakeholders to respect the safeguarding of confidential information and potentially price sensitive information.

17 SAFETY POLICY

SAHCO is committed to ensuring the Conduct and Provision of Safe and Efficient Operations for our Customer Airlines, Aircraft Operators and our Employees. All Managers and Employees are required to have Safety considerations as of prime importance in their job functions.

A Safe operation is the result of combining qualified staff, well-maintained Equipment, appropriate Processes and procedures, adequate Training and Supervision. As Safety is everyone's responsibility, personnel safety reporting process on hazards, anomalies and deficiencies is established. All reported issues are investigated, are reviewed and amended to improve SAHCO’s Management System.

This Safety culture is enhanced by embracing human factors principles and includes encouraging personnel to report related errors/ incidents. SAHCO embraces this Just Reporting Policy, whereby no action shall be taken against one reporting an unintentional error, unless such report indicates beyond reasonable doubt, an illegal act, gross negligence or deliberate willful disregard for regulations or procedures.

The Management of SAHCO is committed to support the Management of Safety through allocation of resources and to the principles stated in the safety policy. This policy shall be communicated, understood, implemented at all levels within the Organization and shall be periodically reviewed. The Management of SAHCO is totally committed to the principles stated in this Safety Policy.

It is the responsibility of each and every SAHCO employee to be conscious of the security of its property, its Customers, themselves, and protection of SAHCO business interests at all times.

18 QUALITY POLICY

It is the objective of SAHCO to provide Safe, Reliable and an Efficient Standard of Customer Service. It has chosen Quality as a way and means to realize its goals and thus continuously improve its services, to provide what really meets the aspirations of its Customer Airlines, Aircraft operators and exceeds their expectations.

18 QUALITY POLICY (CONT'D)

SAHCO is committed to maintaining the highest standards of Quality and performance in its Operations and Customer Service to accomplish this goal; and will employ the latest technology, methods and procedures.

19 NON-PUNITIVE POLICY (NO BLAME POLICY)

SAHCO encourages a voluntary incident reporting system to facilitate the collection of information that may not be captured by a mandatory incident reporting system and provides immunity from disciplinary action for employees that report Safety and Security deficiencies, hazards or occurrences. This policy is in the true spirit of ICAO Annex 13 document.

All SAHCO Personnel are encouraged to report Safety concerns and errors and to cooperate with the investigation of incidents. The Primary aim is to identify the causes and eliminate them, and not to identify and punish the individuals concerned". It is a SAHCO policy that an unpremeditated or inadvertent lapse will not incur any punitive action, but a breach of professionalism may do so. It may be necessary to suspend an individual pending an investigation. This should not be interpreted as punitive action but, rather, as a precautionary measure.

It is reiterated that a voluntary incident reporting system is non-punitive and affords protection to the sources of information i.e. the concerned employee. However, in the case of willful negligence, intentional violation and the use of illicit substances the non-punitive immunity will not apply.

20 SECURITY POLICY

It is the responsibility of each and every SAHCO employee to be conscious of the security of its property, its Customers, themselves, and protection of SAHCO business interests at all times".

21 ALCOHOL AND DRUG POLICY

SAHCO is committed to providing and maintaining a working environment in which its employees are not exposed to hazards arising from the use and abuse of alcohol and/or drugs. We have a "zero tolerance" policy for the consumption of alcohol or the use of non-prescriptive drugs whilst on duty. All employees are required to report for work in a fit and proper condition in order to perform their duties in a safe and efficient manner. Any employee found under the influence of alcohol or non-prescriptive drugs / psychoactive substances - drugs that are considered clinically harmful to disorient normal human functioning and endanger operational safety shall be removed immediately from safety critical functions and strict disciplinary action including termination of services will be initiated against the staff.

All employees have a legal obligation not to endanger themselves or others because of being in an alcohol or drug impaired condition, either within or outside the workplace. Employees are required to disclose to their manager or supervisor the use of any prescriptive drugs or medicines for the treatment of sickness or illness that may affect their performance or behavior. This is extremely important for personnel assigned duties in the operational area and safety critical functions. Such personnel shall be redeployed to functions that are not directly associated with operations.

22 SEXUAL HARASSMENT POLICY

SAHCO is committed to ensuring that all staff enjoys a workplace free from sexual harassment. Our commitment is to create and sustain a work environment that supports mutual trust and assists each individual to reach his or her maximum potential. Sexual harassment is considered to be a form of unacceptable behaviour that will not be tolerated under any circumstances. Individuals found to have breached this policy or found engaging in a sexually harassing conduct are subjected to appropriate disciplinary action that may include instant dismissal.

This policy applies to all staff including Management, Supervisors, full time, part time, temporary, contract, and casual employees.

23 ENVIRONMENTAL POLICY

SAHCO aims to ensure that the highest standard of environmental care is achieved and will continually seek new ways to maintain and improve these high standards. Our employees must ensure that all reasonable steps are taken to improve our impact upon the environment and to ensure compliance with all relevant environment legislation. Every employee through his daily work has a potential impact on our environment. As an employee we expect all staff to adhere to the company’s philosophy and policies in relation to the environment.

24 INTEGRITY

The Company strives to maintain the highest standards of integrity in its operation. Accordingly, the Company condemns and does not give nor receive directly or otherwise any bribes, gratifications or obtain improper advantages for any business or financial gains. It is our policy to avoid any situation that will impact negatively on our operations.

25 GOING CONCERN STATUS

The Directors have made assessment of the Company's ability to continue as a going concern and have no reason to believe that the Company will not remain a going concern in the years ahead.

Resulting from the above, the directors have a reasonable expectation that the company has adequate resources to continue operations for the foreseeable future. Thus, directors continued the adoption of the going concern basis of accounting in preparing the annual financial statements.

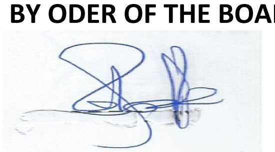
26 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements for the year ended 31 December, 2021 have been approved for issue by the Directors on 22 March , 2022.

27 AUDITORS

Messrs. Gbenga Badejo & Co. (Chartered Accountants), having satisfied the relevant corporate governance rules on their tenure in office, have indicated their willingness to continue in office as auditor to the Company. In accordance with Section 401 (2) of the Companies and Allied Matters Act of Nigeria, 2020 therefore, the auditor will be re-appointed at the next annual general meeting of the Company .

BY ODER OF THE BOARD



Ms. Omolara Bello
Company Secretary
FRC/2019/NBA/00000019782

Dated this 22 March , 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2021

The Companies and Allied Matters Act (section 377 and 378) , CAP C20 LFN, 2020 requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and its profit or loss. The responsibilities include ensuring that the company;

(a) Keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act, CAP C20 LFN, 2020:

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

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

The Directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board, and the requirements of the Financial Reporting Council of Nigeria Act, No 6, 2011 and the Companies and Allied Matters Act, CAP C20 LFN, 2020.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statement, as well as adequate systems of internal financial control. Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.

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Barr. (Dr.) Taiwo Afolabi
Chairman
FRC/2015/NBA/00000013106
Date: 22 March, 2022

....

Mr. Agboarumi Basil
Managing Director/CEO
FRC/2019/IODN/00000019784
Date: 22 March, 2022

....

Mr. Rotimi Omotoso
Chief Finance Officer
FRC/2016/ICAN/00000014593
Date: 22 March, 2022

CORPORATE GOVERNANCE REPORT

Skyway Aviation Handling Company Plc. is committed to observing high standards of Corporate Governance. The Board of Directors recognises the importance of applying best Corporate Governance principles, its valuable contribution to long term business prosperity and accountability to its shareholders.

Consequently, the Company has undertaken to create the institutional framework conducive to defending the integrity of our directors and is convinced that, on account of this, the Board of “SAHCO PLC” is functioning in a highly effective manner. The Board will continue to challenge itself to improve the standard in areas where the need for improvement is identified.

Relationship with Shareholders

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

Shareholders’ responsibilities

The shareholders’ role is to approve appointments to the board of directors and the external auditors as well as to grant approval for certain corporate actions that are by legislation or the company’s articles of association specifically reserved for shareholders. Their role is extended to holding the board accountable and responsible for efficient and effective corporate governance.

THE BOARD

The names of Directors who held office during the year and at the date of this report are as follows:

Non-Executives Directors.
Barrister (Dr.) Afolabi Taiwo
Barrister Chike Ogeah
Mr. Ariyo Olutoye
Dr. Oluropo Owolabi
Barrister Oladipo Kayode Filani
Captain Shehu Iyal

Executive Director
Mr. Agboarumi Basil
Mr. Babatunde Afolabi
Mr. Olaniyi Adigun
Mrs. Boma Ukwunna

Independent Director
Mr. Anogwi Anyanwu

Board Structure and Independence

The Board is made up of a group of individuals from diverse academic and professional backgrounds. The Board size is in line with Corporate Governance and International best practices. Ultimate responsibility for governance rests with the board of directors of the company, who ensure that appropriate controls, systems and practices are in place. The company has a unitary board structure where the roles of Chairman and Chief Executive Officer are separate and distinct in accordance with corporate governance best practices. The company's Chairman is a non-executive director. The majority of directors on the Board are non-executive directors of which one is an independent director; with no material relationship with the company except as directors' .The number and structure of non-executive directors ensure that sufficient consideration and debate are brought to bear on decision thereby contributing to the efficient running of the board.

Working Procedures

The Board meets at least once every quarter. Additional meetings are scheduled whenever matters arise which require the attention of the Board. Prior to meetings, the company secretariat circulates the agenda for the meeting along with all documents the Directors would be required to deliberate upon. This enables the Directors to contribute effectively at the Board Meetings.

The Board through the Company Secretary keeps detailed minutes of its meetings that adequately reflect the Board's discussions.

Constructive Use of Annual General Meeting

The notice of meeting is sent to shareholders at least 21 working days before the AGM. The Directors encourage the participation of shareholders at the AGM, and are available both formally during the meeting and informally afterwards for questions. The Chairperson of each Committee including the Audit Committee and Governance and Nominations Committee are available to answer questions at the AGM.

Re-Election of Directors

In accordance with the Section 285 of CAMA 2020, all directors shall retire from office at the first annual general meeting of the company and in every subsequent year, one third of the Directors who are longest in office since their last appointment or election are required to retire by rotation and, if eligible offer themselves up for re-election. The Board has the power to appoint a new director and any director so appointed is subject to Shareholder election at the next Annual General Meeting (AGM).

In line with the above all the directors are retiring and presenting themselves for re-election at the Company's AGM.

Appointment of Audit Committee

According to Section 359 (4) of CAMA, all Public Companies are mandated to have a Statutory Audit Committee to ensure accounting and reporting policies of the Company is in accordance with legal requirements and agreed ethical standards.

1. Mrs. Samiat Odunuga (Shareholders' Representative)
2. Mr. Ismaila Adamu (Shareholders' Representative)
3. Mr. Rotimi Aina (Shareholders' Representative)

In addition to the three representatives of the Shareholders to be elected at the meeting, the following three members of the Board who are retiring and have presented themselves for re-election, are being proposed as the three designated Board Members of the Statutory Audit Committee for the 2021 financial year.

1. Mr. Anogwi Anyanwu (Director)
2. Mr. Olutoye Ariyo (Director)
3. Captain S.U. Iyal (Director)

New Composition for Audit Committee

One of the changes in the Companies and Allied Matters Act (CAMA) 2020 impacts the composition of the Statutory Audit Committee (SAC) to the membership of the Committee is no longer an equal proportion of Shareholder members to Non-Executive Director members:

The current six (6) members of the SAC were appointed to the Committee based on extant laws at the time, and their tenure will expire at the AGM to consider the 2021FY Audited Financial Statement. The Board will therefore be presenting only two (2) Non-Executive Directors to the General Meeting as members of the Statutory Audit Committee.

Board Appointment Process

To ensure the highest standards of corporate governance, the Governance and Nominations Committee have the overall responsibility for the appointment process subject to final approval by the Board. The fundamental principles of the process includes: evaluation of the balance of skills, knowledge and experience on the Board, leadership needs of the company and the ability of the candidate to fulfill his/her skill and obligations as a Director.

Board Authority

A range of decisions are specifically reserved for the Board to ensure it retains proper direction and control of the Company. The board is entitled to delegate some of these functions to the Executive Directors who are responsible for the day to day management of the business or to Committees of the Board. The Delegation of Authority Policy sets the financial limits on the decisions that can be taken by Executive Directors and various Committees of the Board.

The schedule of matters reserved for the Board includes (but is not limited to) the following:

- Strategy and objectives.
- Business plans and budgets
- Changes in capital and corporate structure.
- Accounting policies and financial reporting
- Internal controls
- Major contracts
- Capital projects
- Acquisitions and disposals
- Board membership

The day-to-day operational management of the Company's activities is delegated to the Chief Executive Officer (CEO) and is supported by the Executive Director Sales and Marketing, Executive Director Business Development, IT & Strategy and Executive Director Cargo Services.

Board Duties and Responsibilities

The Directors act in good faith, with due care and in the best interest of the Company and all its stakeholders. Each Director is expected to attend and actively participate in Board meetings.

The key terms of reference in the board's mandate, which forms the basis for its responsibilities, are to:

- annually review the corporate governance process and assess achievement against objectives;
- review its mandate at least annually and approve recommended changes;
- delegate to the chief executive or any director holding any executive office or any senior executive any of the powers, authorities and discretions vested in the board's directors, including the power of sub-delegation; and to delegate similarly such powers, authorities and discretions to any committee as the board may deem fit from time to time;
- determine the terms of reference and procedures of all board committees and review their reports and minutes;
- consider and evaluate reports submitted by members of the executive;
- review and monitor the performance of the chief executive and the executive team;
- approve the remuneration of non-executive directors on the board and board committees,
- based on recommendations made by the remuneration committee, and recommend to shareholders for approval;
- consider and approve capital expenditure recommended by the executive committee;

CORPORATE GOVERNANCE REPORT (CONTINUED)

- consider and approve the annual financial statements, quarterly results and dividend announcements and notices to shareholders, and consider the basis for determining that the group will be a going concern as per the recommendation of the audit committee;
- assume ultimate responsibility for financial, operational and internal systems of control, and ensure adequate reporting on these by committees to which they are delegated

The Company does not prohibit its Directors from serving on other boards. However, Directors should ensure that other commitments do not interfere with the discharge of their duties and shall not divulge confidential or inside information about the Company.

The board adopts the following best practice principles in the discharge of its duties.

- The Company believes that the role of the Chairman and Chief Executive Officer should be separate and that the Chairman should be a Non-Executive Director;

- To maintain appropriate balance of interest and ensure transparency and impartiality, we have an independent Director. The independent directors is one who have no material relationship with the Company beyond their directorship;

- Directors are to abstain from actions that may lead to “conflict of interest” situations; and shall comply fully with the Company’s Related Party Transactions Policies;

Board Meetings
The Board and its committee meets at a minimum, once every quarter and whenever they are deemed necessary. During the year under review, the Board met at various times to provide strategic directions, policy and leadership in channeling the objectives of the Company. The Directors are provided with comprehensive Board documentation at least seven (7) days prior to each of the scheduled meetings.

Dates of Board Meetings
- January 26, 2021
- March 23, 2021
- July 3, 2021
- October 26, 2021

Board meetings attendance:

	Date of Meeting and Attendance			
NAMES OF BOARD MEMBERS	**26/01/2021**	**23/03/2021**	**3/07/2021**	**26/10/2021**
NON-EXECUTIVE DIRECTORS				
Barrister (Dr.) Taiwo Afolabi	P	P	P	P
Barrister Chike Ogeah	P	P	P	P
Mr. Olutoye Ariyo	P	P	P	P
Dr. Oluropo Owolabi	P	P	P	P
Mr. Anogwi Anyanwu	P	P	P	P
Barrister Oladipupo Kayode Filani	P	P	P	P
Captain S.U. Iyal	P	P	P	P
EXECUTIVE DIRECTORS				
Mr. Basil Agboarumi	P	P	P	P
Mr. Olaniyi Adigun	P	P	P	P
Mrs. Boma Ukwunna	P	P	P	P
Mr. Babatunde Afolabi	P	P	P	P

NB: P = Present, A = Apology

Board Committees
Under the Company's Articles of Association, the Directors may appoint Committees consisting of members of the Board and such other persons as they think fit and may delegate any of their powers to such committees. The Committees are required to use their delegated powers in conformity with the regulations laid by the Board. One of the features of the manner in which the board operates is the role played by its Committees, which facilitate the discharge of board responsibilities.

Committee members are expected to attend each Committee meeting, unless exceptional circumstances prevent them from doing so. The Board and the Committee's terms of references spell out the responsibilities, appointment, composition, and their review among other things.

The following Committees are currently operating at the Board Level;

i. Board Audit Committee
ii. Governance and Nominations Committee
iii. Strategic Planning and Finance Committee

Board Committee on Governance and Nominations.
The Board Nominations Committee is a sub-committee of the Board of Directors ("the Board") of the Company.

The goal of the committee is to oversee and advise the Board on matters relating to the annual evaluation of its performance and the performance of other Board Committees in compliance with the corporate governance regulations and codes. It shall review and make recommendations to the Board on the Company's organizational structure, succession planning and also propose amendments. It shall deliberate on any other matter which the Company may refer to it from time to time.

· Review the structure, size, composition of the Board at least annually and make recommendations on any proposed changes to the Board.
· Establish a formal and transparent process for Board appointments, including establishing the criteria for appointment to the Board and Board committees' memberships, reviewing prospective candidates' qualifications and any potential conflict of interest; assessing the contribution of current Directors against their re-nomination suitability, and making appropriate recommendations to the Board.
· Prepare a job specification for the Board Chairman's position, including an assessment of time commitment required of the candidate.
· Identify individuals suitably qualified to become Board members and make recommendations to the Board for nomination and appointment as Directors.
· Periodically determine the skills, knowledge and experience required on the Board and its committees
· Make recommendations on experience required by Board committee members, committee appointments and removal, operating structure, reporting and other committee operational matters.
· Make recommendations on compensation structure for Executive Directors and key management executives such as the Chief Finance Officer and Company Secretary.
· Provide input to the annual report of the Company in respect of director compensation.
· Ensure that the Company has a formal program for the induction and training of Directors.
· Undertake the annual assessment of the independent status of each Independent Non-Executive Director.

· Review the performance and effectiveness of the subsidiary company Boards on an annual basis where applicable.
· Ensure that the Company has a succession policy and plan in place for the Chairman of the Board, the MD/CEO and all other Executive Directors, Non-Executive Directors and senior management positions to ensure leadership continuity. Succession planning should be reviewed periodically, with provision made for succession in emergency situations as well as long-term vacancies.
· Deal with all matters pertaining to executive management selection and performance, including an annual evaluation of the performance of the MD/CEO and executive management.

- Develop a process for, and ensure that the Board undertakes, an annual Board performance evaluation of itself, its committees, the Chairman and individual Directors, as well as the Company's corporate governance practices.
- Ensure the development and periodic review of Board charters, Board committee charters and other governance policies, such as the code of ethics, conflict of interest and whistleblowing policies among others.
- Review and make recommendations to the Board for approval of the Company's organizational structure and any proposed amendments.
- Annually review and recommend changes to the Governance and Nominations Committee's Terms of Reference for the Board's consideration and approval.
- The Governance and Nominations Committee should ensure that proposed Directors are fit and proper persons before recommending them to the Board for consideration for directorship positions.
- At Board meetings, the chairman of the Governance and Nominations Committee should present a written report of the key recommendations made at all the meetings held by the Committee since the last Board meeting.

Composition.

The Committee as at 31st of December 2021, consist of 3 members of the Board of Directors who are appointed by a stand-alone committee assigned by the Board for the purpose of nominating members of the Committee.

The Members of the Governance and Nominations Committee comprises solely of Non-Executive Directors, and a majority of them should be Independent Non-Executive Directors where possible. However, Senior Management may be in attendance at meetings, as and when appropriate.

Dates of Governance and Nominations Committee Meetings

- January 20 , 2021
- March 15 , 2021
- July 9 , 2021
- October 18, 2021

The Statutory Board Audit Committee

The role of the Board Audit Committee shall be in line with regulatory requirements separate from the Statutory Audit Committee. It shall assess the integrity and effectiveness of accounting, financial, compliance and other control systems. It is to consider and provide the Board with recommendations with regards to the financial reporting process and matters, audit process of the company, activities of the Statutory Audit Committee and the Company's internal controls and compliance with laws and regulations and any other matter which the Company may refer to it from time to time.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The Committee's key terms of reference comprise various categories of responsibilities and include the following:

- Ensure the development of a comprehensive internal control framework for the Company, obtain appropriate (internal and/or external) assurance and report annually in the Company's audited financial report, on the design and operating effectiveness of the Company's internal controls over the financial reporting systems.
- Oversee the management process for the identification of significant fraud risks across the Company and ensure that adequate prevention, detection and reporting mechanisms are in place.
- Discuss the interim or annual audited financial statements as well as significant financial reporting findings and recommendations with management and external auditors prior to recommending same to the Board for their consideration and appropriate action.
- Maintain oversight of financial and non-financial reporting.
- Review and ensure that adequate whistle-blowing policies and procedures are in place and that the issues reported through the whistle-blowing mechanism are summarized and presented to the Board.
- Review, with the external auditors, any audit scope limitations or significant matters encountered and management's responses to same.
- Develop a policy on the nature, extent and terms under which the external auditors may perform non-audit services.
- Review the independence of the external auditors in line with the policy developed on the nature, extent and terms under which the external auditors may perform non-audit services prior to their appointment to perform non-audit services to ensure that where approved non-audit services are provided by the external auditors, there is no real or perceived conflict of interest, or other legal or ethical impediment.
- Preserve auditor independence, by setting clear hiring policies for employees or former employees of external (independent) auditors.
- At least on an annual basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including any issues or recommendations for improvement, raised by the most recent internal control review of the Company.
- Discuss the annual audited financial statements and half yearly unaudited statements with management and external auditors.
- Discuss policies and strategies with respect to risk assessment and management.
- Meet separately and periodically with management, internal auditors and external auditors.
- Consider any related party transactions that may arise within the company or group.
- Invoke its authority to investigate any matter within its terms of reference and the Company must make available the resources to the internal auditors with which to carry out this function including access to external advice where necessary.
- Report regularly to the Board.
- Annually review and recommend changes to the Committee's Terms of Reference for the Board's consideration and approval.

· At least once in a year, the Committee should hold a discussion with the head of the internal audit function and the external auditors without the presence of management, to facilitate an exchange of views and concerns that may not be appropriate for open discussion.

· Where the Board Audit Committee requires the advice of any director on a particular matter, it may co-opt him for such period as it thinks fit to assist in the discharge of any of its functions under this Act.

· Exercise/Assist in oversight over management's processes to ascertain the integrity of the Company's financial statements, compliance with all applicable legal and other regulatory requirements; and assess the qualifications and independence of the external auditors, and the performance of the Company's internal audit function as well as that of the external auditors.

· Ensure the establishment of and exercise oversight on the internal audit function which provides assurance on the effectiveness of the internal controls. On a quarterly basis, obtain and review a report by the internal auditor describing the strength and quality of internal controls including identification of any issues or recommendations for improvement raised by the most recent internal audit review of the Company.

· Establish an internal audit function and ensure there are other means of obtaining sufficient assurance of regular review or appraisal of the system of internal controls in the company.

Composition

As at 31 December 2021, the Committee was made up of six members of the Board, two of whom are non-executive directors and an Independent director, while the other three members are shareholder representatives. Only non-executive directors should be members of the Board Audit Committee. However, senior management may be in attendance.

Dates of Board Audit Committee Meetings

· January 17 , 2021
· March 16 , 2021
· July 20 , 2021
· October 18, 2021

Board Committee on Strategic Planning and Finance

The goal of the committee is to consider and advise the Board on matters relating to the review and analysis of financial matters and finance oversight as well as give an objective view of the financial position of the company. It shall also assist the Board in long-range strategic planning in achieving delivery of financial activity and operational performance targets in the company; and any other matter which the company may refer to it from time to time.

The committee undertakes the following responsibilities;

· To exercise their business judgment to take decisions which they reasonably believe is in the best interests of the Company and its shareholders.
· Develop the strategic management of the Company and assess the overall direction and strategy of the business
· Evaluate the Company's capital structure and develop recommendations based upon that information
· Advise management and the Board regarding financial matters including global financial policies and practices, capital structure, annual financing plans, restructuring, acquisitions and divestitures

· Analyze and recommend basic financial goals to be achieved by the Company, ensuring that financial objectives are aligned with the Company's overall objectives, strategic vision and direction
· Review significant relationships with analysts, banks and investment banks
· Review the Company's performance on major capital investment projects versus original projections
· Review and recommend a dividend policy for the Company.

· Review the parameters and underlying assumptions of the preliminary annual budget and advise management regarding the preliminary annual budget at the Committee meeting.
· Provide input from the Board to management in the development of the Company's strategic plan.

· Serve as a resource in assisting management in the development of the Company's strategic plan. Act in an advisory capacity in assessing the strategies and action plans designed to meet the Company's strategic objectives.

- Serve as representatives of the Board in evaluating the Company's strategic planning process.
- The Strategic Planning and Finance Committee shall review and reassess the adequacy of the Terms of Reference annually and recommend any proposed changes to the Board for approval.
- Review any potential impact specifically related to the Company's operational performance.
- The Strategic Planning and Finance Committee shall annually review its own performance.
- Annually review and recommend changes to the Strategic Planning and Finance Committee's terms of reference for the Board's consideration and approval.
- At Board Meetings, the chairman of the Strategic Planning and Finance Committee should present a written report of the key recommendations made at all the meetings held by the Committee since the last Board meeting.

Composition

The Committee consist of at least 3 members of the Board of Directors who are appointed by the Board on the recommendation of the Governance and Nominations Committee. Only Directors should be members of the Strategic Planning and Finance Committee however, Senior Management may be in attendance. The Chairman of the Committee is appointed by the Board of Directors and presides over the Committee meetings.

Dates of Strategic Planning and Finance Committee Meetings

January 20, 2021
March 15, 2021
July 7, 2021
October 13, 2021

SKYWAY AVIATION HANDLING COMPANY PLC

CORPORATE GOVERNANCE REPORT (CONTINUED)

Attendance at Committee Meetings during the year ended 31 December, 2021

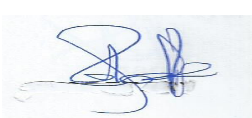
Members of Committee			Statutory Board Audit Committee	Governance and Nominations Committee	Strategic Planning and Finance Committee
Non-Executive Directors					
Barrister Chike Ogeah			-	4/4	-
Mr. Olutoye Ariyo			2/4	2/4	-
Dr. Oluropo Owolabi			-	-	4/4
Mr. Anogwi Anyanwu			4/4	-	-
Barrister Oladipupo Kayode Filani			-	4/4	-
Captain S.U. Iyal			3/4	-	3/4
Executive Directors					
Mr. Basil Agboarumi					4/4
Mr. Olaniyi Adigun			-	-	4/4
Mrs. Boma Ukwunna			-	-	4/4
Mr. Babatunde Afolabi			-	-	4/4
Shareholder Representative					
Samiat Odunuga			4/4		
Ismaila Adamu			4/4		
Rotimi Aina			4/4		
Senior Management in Attendance					
Rotimi Omotoso			4/4	-	-
Ibrahim Amuda			4/4	-	-
Oluwaseun Timothy			-	-	4/4
Lara Bello			4/4	4/4	4/4

Directors Declaration

None of the Directors have:-

- Ever been convicted of an offence resulting from dishonesty, fraud or embezzlement.
- Ever been declared bankrupt or sequestrated in any jurisdiction.
- At any time been a party to a scheme of arrangement or made any other form of compromise with their creditors.
- Ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities.
- Ever been involved in any receiverships, compulsory liquidations or creditors' voluntary liquidations.
- Ever been barred from entry into a profession or occupation
- Ever been convicted in any jurisdiction of any criminal offence or an offence under any Nigerian Legislation.

BY ORDER OF THE BOARD



Ms. Omolara Bello
Company Secretary
FRC/2019/NBA/00000019782

Dated this 22 March , 2022

SKYWAY AVIATION HANDLING COMPANY PLC

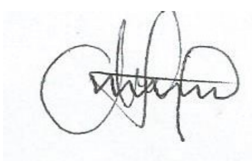
REPORT OF STATUTORY AUDIT COMMITTEE
FOR THE YEAR ENDED 31 DECEMBER, 2021

In accordance with the provision of Section 404 (7) of the Companies and Allied Matters, Act CAP C20, Laws of the Federation of Nigeria 2020, the members of the Audit Committee of Skyway Aviation Handling Company PLC hereby report as follows:

i. We have exercised our statutory functions under Section 404 (7) of the Companies and Allied Matters, Act CAP C20, Laws of the Federation of Nigeria 2020 and acknowledge the cooperation of management and staff in the conduct of these responsibilities.

ii. We are of the opinion that the accounting and reporting policies of the company are in accordance with legal requirements and agreed ethical practices and that the scope and planning of both the external and internal audits for the year ended 31 December 2021 were satisfactory and reinforce the company's internal control systems.

iii. We have deliberated with the External Auditors, who have confirmed that necessary co-operation was received from management in the course of their statutory audit and we are satisfied with the management's response to the External Auditor's recommendations on accounting and internal control matters and with the effectiveness of the company's system of accounting and internal control.



Mr. Anogwi Anyanwu
Chairman, Audit Committee
FRC/2013/ICAN/00000002213

Date: 22 March, 2022

Members of Audit Committee are:
Mr. Anogwi Anyanwu
Mr. Shehu Usman Iyal
Mr. Olutoye Ariyo
Mrs. Samiat Odunuga (Shareholders' Representative)
Mr. Ismaila Adamu (Shareholders' Representative)
Mr. Rotimi Aina (Shareholders' Representative)

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REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC.

OPINION

We have audited the financial statements of Skyway Aviation Handling Company Plc. (SAHCO PLC) herein referred to as "the company", which comprise of:

the company's statement of financial position as at December 31, 2021;
the company's statement of profit or loss and other comprehensive income for the year ended 31 December, 2021;
the company's statement of changes in equity as at 31 December, 2021;
the company's statement of cash flows for the year ended 31 December, 2021;
the notes comprising a summary of the significant accounting policies and other explanatory information.

The accompanying Financial Statements give a true and fair view of the financial position of the company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Companies and Allied Matters Act, CAP C20 LFN, 2020, the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and in the manner required by Financial Reporting Council of Nigeria Act, No 6, 2011.

BASIS FOR OUR OPINION

We conducted our audit in accordance with the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the Financial Statements section of our report. We are independent of the company in accordance with the ICAN codes of ethics for professional accountants and we have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that in our professional judgments were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

REPORT OF THE INDEPENDENT AUDITORS (CONTD.)
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC

We have determined the matters described below to be the key audit matters to be communicated in our report. The key audit matters below relate to the audit of the financial statements.

Key Audit Matter(s)	
Receivable Loss Impairment: See Note 17 to the Financial Statements.	**How the matter was addressed in the Audit**
IFRS 9 requires SAHCO Plc to recognize impairment using the Expected Credit Loss (ECL) model. The ECL model is dependent on significant judgement and estimates by management in the measurement and determination of impairment on Receivables and other financial instruments. Our focus on this area was premised on the significant judgement and subjectivity inherent or applied by management in the estimation of the level of impairment, and the size of this Receivables. The ECL model is forward looking which incorporates industry and prevailing economic events and requires an application of historical financial data of the Compay. All of these are combined to develop and apply relevant models to the receivables of the Company.	Our audit procedures to assess the Receivable loss impairment included the following: i. Updated our understanding of the controls put in place by the management to identify impaired receivables and provisions against those assets and determined whether these controls have been appropriately designed and implemented. ii. We reviewed the appropriateness of the company's determination of significant increase in credit risk and ensured compliance with IFRS 9. iii. We involved our internal credit specialists in the review of the assessment of the overall compliance of the model to the requirements of the IFRS 9.

Receivable Loss Impairment: See Note 17 to the Financial Statements.	How the matter was addressed in the Audit
Trade and other Receivables make up a significant portion of the total assets of Company with the total of NGN4.6 billion representing about 20% of the Company's current assets. The total amount of impairment on Receivables charged in the Statement of Profit or Loss for the year is NGN 394.6 million as stated in note 17(a).	iv. We challenged the key data input and assumptions for data input into the ECL model used by the Company. v. On a sample basis, we reviewed recievables for evidence of significant increase in credit risk with major focus on receivables that were not reported as being impaired.
The basis of the provisions is summarized in the accounting policies in the financial statements (See Note 2.12.7). The Company's impairment model addresses the three stages of credit classifications.	vi. We subjected the data used in the models to test as well as assessing the model's methodology.
Because of the significance of these estimates, judgments and the size of Trade Receivables, economic conditions experienced in Nigeria during the year which affected the performance of Receivables, the audit of receivable's impairment is considered a key audit matter.	Based on our review, we found that the company's impairment methodology, including the model, assumptions and key inputs used by management to estimate the amount of receivable impairment losses were comparable with historical performance, and prevailing economic situations and that the estimated receivable impairment loss determined was appropriate in the circumstances.

Other information in the Annual Report

The directors are responsible for the other information. The other information comprises all the information in the Skyway Aviation Handling Company Plc. 2021 annual report other than the company financial statements and our auditor’s report thereon (“the Other Information”).

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

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

REPORT OF THE INDEPENDENT AUDITORS (CONTD.)
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC

Responsibilities of the directors and those charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirement of the Companies and Allied Matters Act CAP C20 LFN 2020, circulars and guidelines issued by the Financial Reporting Council Act 2011 and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

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

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

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

REPORT OF THE INDEPENDENT AUDITORS (CONTD.)
TO THE MEMBERS OF SKYWAY AVIATION HANDLING COMPANY PLC

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

Report on other legal requirements

The Companies and Allied Matters Act, CAP C20 LFN, 2020 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
ii. In our opinion, proper books of account have been kept by the company; and
iii. The company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.

The Engagement Partner on this audit resulting in this independent auditor's report is :-

Adegbenga Olufemi Badejo, FCA
FRC/2013/ICAN/0000000912
Managing Partner
Gbenga Badejo & Co.,
(Chartered Accountants),
Plot 8A, Ajumobi Olorunoje Street,
Off Acme Road, Agidingbi,
Ikeja, Lagos State.

INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
36/ICAN
1045849

Date: 30/3, 2022.

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER,

	NOTE	2021 ₦'000	2020 ₦'000
Revenue	6	8,707,448	6,981,593
Direct cost	7	(4,850,679)	(3,952,899)
Gross Profit		**3,856,770**	**3,028,693**
Other operating income	8	69,075	104,577
Administrative expenses	9	(3,222,661)	(2,577,275)
Profit from operations		**703,185**	**555,995**
Finance income	10	98,116	194,428
Finance expense	10	(236,152)	(183,758)
Operating profit before taxation		**565,148**	**566,665**
Tax expense	31	(283,118)	(84,289)
Profit for the year		**282,030**	**482,377**
Other comprehensive income			
Item that will not be reclassified to profit or loss			
(Reversal)/recognition of actuarial loss on defined benefit obligation	24	-	(148,788)
Recognition of related tax on defined benefit obligation	31		
		83,366	63,949
Other comprehensive loss for the year, net of tax		83,366	(84,839)
Total comprehensive income for the year		**365,396**	**397,538**
Earnings per share			
Basic earnings - kobo	29	**21**	**36**
Diluted earnings - kobo	29	**21**	**36**

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

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER,

		2021	2020
NON-CURRENT ASSETS	**NOTE**	**₦'000**	**₦'000**
Property, plant and equipment	13	13,621,684	13,251,459
Investment properties	14	755,858	383,621
Intangible assets	15	4,066,762	4,065,906
Deferred tax assets	32	649,449	523,961
		19,093,753	**18,224,947**
CURRENT ASSETS			
Inventories	16	310,762	177,410
Trade and other receivables	17	3,368,616	3,008,416
Cash and cash equivalent	18	1,834,458	2,215,414
		5,513,836	**5,401,240**
TOTAL ASSETS		**24,607,589**	**23,626,187**
EQUITY			
Ordinary Share capital	23	676,790	676,790
Share premium	28	4,784,010	4,784,010
Retained earnings	25	4,623,746	4,565,058
Actuarial Valuation Reserve	27	167,850	84,484
Revaluation reserve	26	9,088,895	9,088,895
		19,341,291	**19,199,237**
NON-CURRENT LIABILITIES			
Long term borrowings	20	136,700	270,890
Deferred income	30	29,206	28,875
Deferred Tax Liability	32	-	-
Defined Benefit Obligations	24	1,669,197	1,374,700
		1,835,103	**1,674,464**
CURRENT LIABILITIES			
Trade payable and other payables	19	2,704,473	2,353,662
Short term borrowings	20	79,166	15,931
Deferred income	30	83,055	83,055
Current income tax liabilities	31	564,502	299,838
		3,431,196	**2,752,486**
TOTAL EQUITY AND LIABILITIES		**24,607,589**	**23,626,187**

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

....	....	....
Barr. (Dr.) Taiwo Afolabi, MON	**Mr. Agboarumi Basil**	**Mr. Rotimi Omotoso**
Chairman	**Managing Director/CEO**	**Chief Finance Officer**
FRC/2015/NBA/00000013106	**FRC/2019/IODN/00000019784**	**FRC/2016/ICAN/00000014593**

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

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER, 2021

	NOTE	SHARE CAPITAL ₦'000	SHARE PREMIUM ₦'000	RETAINED EARNINGS ₦'000	ACTUARIAL VALUATION RESERVE ₦'000	REVALUATION RESERVE ₦'000	TOTAL EQUITY ₦'000
Balance at 1 January 2020		676,790	4,784,010	4,306,022	169,323	9,088,895	19,025,040
Total Comprehensive Income for the year							
Profit for the year		-	-	482,377	-	-	482,377
Dividend Paid (Note 33)		-	-	(223,341)	-	-	(223,341)
Other comprehensive income for the year		-	-	-	(84,839)	-	(84,839)
Total Comprehensive Income for the year		**-**	**-**	**259,036**	**(84,839)**	**-**	**174,197**
Transactions with owners recorded directly in equity							
Issue of Shares		-	-	-		-	-
Balance at 31 December 2020		**676,790**	**4,784,010**	**4,565,058**	**84,484**	**9,088,895**	**19,199,237**
Balance at 1 January 2021		676,790	4,784,010	4,565,058	84,484	9,088,895	19,199,237
Total Comprehensive Income for the year							
Profit for the year		-	-	282,030		-	282,030
Dividend Paid (Note 33)				(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**	**4,623,746**	**167,850**	**9,088,895**	**19,341,291**

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

SKYWAY AVIATION HANDLING COMPANY PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2021

	NOTE	2021 ₦'000	2020 ₦'000
Cash flows from operating activities:			
Profit for the year		565,148	566,665
Adjustments for net income to net cash provided by operating activites			
Finance Expenses	10	236,152	183,758
Allowance for impairment on Receivables		146,673	303,977
Provision for Employee benefit	24	165,910	79,117
Investment Property- Depreciation	14	20,764	12,206
Intangible Asset- Amortisation		1,644	247
Property Plant & Equipment-Depreciation	13	1,851,000	1,838,511
		2,987,292	**2,984,482**
Changes in working capital			
Increase in trade and other receivables		(506,873)	(738,650)
Decrease/(Increase) in inventories		(133,351)	52,155
(Decrease)/ increase in trade and other payables		350,811	(183,965)
(Decrease/)Increase in deferred income		331	50,574
Cash generated from operations		**2,698,210**	**2,164,598**
Tax paid	31	(60,577)	(379,121)
Payment made by the employer on Employee Benefit	24	(77,655)	(61,042)
Finance expenses paid		(29,947)	(26,214)
Net cash inflow from operating activities		**2,530,031**	**1,698,220**
Cash flows from investing activities			
Purchase of property, plant and equipment	13	(2,221,190)	(873,643)
Acquisition of Investment Properties	14	(393,001)	(104,079)
Purchase of Intangible asset	15	(2,500)	(7,802)
Net cash outflow used in investing activities		**(2,616,691)**	**(985,524)**
Financing Activities:			
Dividend Paid		(223,341)	(223,341)
Loan Received		-	319,041
Repayment of borrowings	20	(70,955)	(184,813)
Net cash inflow used in financing activities		**(294,296)**	**(89,112)**
Net increase/ (decrease) in cash and cash equivalents		(380,956)	623,585
Cash and cash equivalents at the beginning		2,215,414	1,591,829
Cash and cash equivalents at 31 December	**18**	**1,834,458**	**2,215,414**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2021

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 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 Company's financial statements for the year ended 31 December, 2021 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 (IFRIC) that are effective at 31 December, 2021 and requirements of the companies and Allied Matters Act (CAMA) of Nigeria and Financial Reporting Council (FRC) Act of Nigeria.

The financial statements comprise the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows and the notes.

The financial statements were authorised for issue by the Board of Directors on 22 March, 2022.

2.2 Basis of preparation

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.

2.4 Going concern

The directors assess the Company's future performance and financial position on a going concern basis and have no reason to believe that the Company will not be a going concern in the year ahead. For this reason, the financial statements have been prepared on a going concern basis.

2.5 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.6 Revenue recognition

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. Transfer of control is believed to be transferred to the customer at the point of delivery to the customer.

2.6.1 Rendering of services - Cargo Income

The company is into Cargo handling in the aviation industry. Services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. The proportion recognised in the Statement of Profit or Loss and Other Comprehensive Income is assessed by reference to services performed to date as a percentage of total services to be performed.

Revenue from cargo services is also recognised when control of the goods have passed to the clearing agents or customers, usually on delivery of the goods. Delivery occurs when a customer's truck has been loaded with the cargo goods specified in the invoice.

Revenue is recognised net of discount and rebates given on volume trade.

2.6.2 Aircraft Handling Income

The company also renders aircraft handling which include crew and passenger transportation, passenger profiling, equipment rentals and ground handling services. Income from aircraft handling are recognised in the profit or loss in proportion to stage of completion of the transaction as the reporting date. However, 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.

2.6.3 Rental Income

Rentals from sub-leased property are recognised as rental income which is determined over the term of lease.

2.7 Expenditure

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of profit or loss is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

The Company classifies its expenses as follows:

- Cost of sales;
- Administration expenses;

a) Cost of Goods Sold

These are the direct costs attributable to the service rendered by the company. These costs includes directly attributable costs such as the concession fee, direct labour, cargo shed/warehouse, Hajj and Christian Pilgrimage operation, as well as overheads, including depreciation.

The cost of goods sold includes write-downs of inventories where necessary.

b) Administrative expenses

Administrative expenses are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of profit or loss and other comprehensive income is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature. However, analysis by nature is presented in the notes.

2.8 Finance Income and expense

Finance income comprises interest income on short-term deposits with banks and foreign exchange gains.

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition

Finance costs comprise interest expense on borrowings, exchange differences in 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 Statement of Comprehensive Income using the effective interest method.

Foreign currency gains or 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.

2.9 Intangible assets

a) Software

In accordance with criteria set out in IAS 38 – "Intangible assets", intangible assets are recognised only if identifiable; controlled by the entity because of past events; it is probable that the expected future economic benefits that are attributable to the asset will flow to the company and the cost of the asset can be measured reliably. Intangible assets primarily include amortizable items such as software that meet the IAS 38 criteria.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized using the straight-line method over their useful lives. Amortization expense is recorded in Direct Cost or administrative expenses, based on the function of the underlying assets. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

b) Goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

c) 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.

2.10 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for any obsolescence and damages determined by the management. Costs are those expenses incurred in bringing each product to its present location and condition which are computed as follows:

Spare parts and Consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged stocks.

Net realisable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal.

The company's management determines the estimated amount of slow moving inventories. This estimate is based on the age of items in inventories and this provision is subject to change as a result of technical innovations and the usage of items.

Weighted average cost is used to determine the cost of ordinarily interchangeable items.

2.12 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised in the statements of financial position when the Company becomes a party to the contractual obligations of the instrument. Regular way purchases or sales of financial assets, i.e. purchases or sales under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned, are accounted for at the trade date

Initially, financial instruments are recognized at their fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount except for financial instruments at fair value through profit or loss. For financial instruments classified as Fair Value Through Profit or Loss (FVTPL) transaction costs incurred are recognized in profit or loss. Subsequently, financial assets and liabilities are measured according to the category to which they are assigned. The Company does not make use of the option to designate financial assets or financial liabilities at fair value through profit or loss at inception (Fair Value Option).

2.12.1 Financial assets

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

2.12.1 Financial assets (Continued)

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. On initial recognition, financial assets is classified as measured at amortised cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

a Financial Assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

A financial assets is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

i It is held within a business model whose objective is to hold assets to collect contractual cash flow;

ii Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVTOCI, if it meets both of the following conditions and is not designated as at FVTPL:

i It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

ii Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have debt instruments that are measured subsequently at fair value through profit or loss (FVTPL) or (FVTOCI).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

i The Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

ii The Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value on OCI. This election is made on an investment by investment basis.

b Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

i it has been acquired principally for the purpose of selling it in the near term; or

ii on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or

ii it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends will be included in the 'finance income' line item (note 10) in profit or loss

c **Debt Investments designated as at FVTOCI**

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gain and losses are recognised in OCI. On derecognition, gain and losses accumulated in OCI are reclassified to profit or loss

All financial assets not classified as measured at amortised cost or FVOCI as declared above are measured at FVTPL. This includes all derivative financial assets.

d **Financial Assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognised in profit or loss.

The company's financial assets are mainly measured at amortised cost and they comprise cash & Cash equivalents, trade receivables, due to related parties and other receivables.

(i) **Cash and cash equivalents**

The Company considers all highly liquid unrestricted investments with less than three months maturity from the date of acquisition to be cash equivalents. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(ii) **Trade receivables**

Trade receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected within one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Discounting is ignored if insignificant. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that debtor will enter bankruptcy and default or delinquency in payment, are the indicators that a trade receivable is impaired. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within the administrative cost.

The amount of the impairment provision is the difference between the asset's nominal value and the recoverable value, which is the present value of estimated cash flows, discounted at the original effective interest rate. Changes to this provision are recognised under administrative costs. When a trade receivable is uncollectable, it is written off against the provision for trade receivables.

2.12.2 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

2.12.3 Financial liabilities

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. The Company does not hold financial liabilities measured at FVTPL.

Financial liabilities measured subsequently at amortised cost
Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

(i) **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) **Bank Borrowings**

Borrowings are recognised initially at fair value, as the proceeds received, net of any transaction cost incurred. Borrowings are subsequently recorded at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted in profit or loss using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise

2.12.4 De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.12.5 Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.12.6 Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

2.12.7 Impairment

Financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;

existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

an actual or expected significant deterioration in the operating results of the debtor

significant increases in credit risk on other financial instruments of the same debtor;

an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts

For financial guarantee contracts, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Company considers the changes in the risk that the specified debtor will default on the contract.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties

(iv) Write-off policy

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner unless in case where there is sufficient security. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 Leases.

(v) Measurement and recognition of expected credit losses (Continued)

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve.

2.13 Non-financial assets

The carrying amounts of the Company's non-financial assets 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. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit 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 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 or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the 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. A reversal of an impairment loss is recognised immediately in the Profit or loss.

2.14 Prepayments

Prepayments are payments made in advance relating to the following year and are recognised and carried at original amount less amounts utilised in the statement of profit or loss and other comprehensive income.

At each reporting date, the Company assesses whether its financial assets have been impaired. Impairment losses are recognised in the income statement where there is objective evidence of impairment.

2.15 Employee benefits

The company operates two benefits scheme for its employees:

i) **Defined contribution pension scheme**

The company operates a defined pension contribution plans, based on a percentage of pensionable earnings funded by both employer (10%) and employees (8%), the fund of which are generally administered by Pension Fund Administrators. Contributions to these plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

ii) **Defined benefit schemes**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

ii) **Defined benefit schemes (Continued)**

The calculation of defined benefits obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present alue of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for a period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expense related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

2.16 Income Tax Liability

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in profit or loss because of items of income or expense that are taxable or deductible in future years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.16.1 Deferred Taxation

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax is not recognized for the following temporary differences: (i) the initial recognition of goodwill, (ii) the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and (iii) differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.16.2 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.17 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to owners of the Company by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the profit or loss attributable to the owners of the Company, by the weighted average number of shares outstanding after adjusting for the effects of all dilutive potential ordinary shares.

2.19 Statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as changes from receivables and liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated for the purpose of preparing the statement.

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposit held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

The cash flows from investing and financing activities are determined by using the direct method.

2.20 Contingencies

Contingent liabilities are not recognized in the statement of financial position but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the statement of financial position but disclosed when an inflow of economic benefits is probable.

2.21 Foreign currency

In preparing the financial statements of the Company, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period , monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

2.22 Provisions

A Provision is recognized if, as a result of a past event, the company 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.

2.22 Provisions (Continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

2.23 Related Party Disclosures

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include:

i. Entities over which the company exercises significant influence
ii. Shareholders and key management personnel of the company.
iii. Close family members of key management personnel
iv. Post-employment benefit plan which is for the benefit of employees of the company or of any entity that is a related party of the company.

Key management personnel comprise the Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the company.

The company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using the current market price or admissible valuation methods.

The company includes Company Secretary, Head of all department in its definition of key management personnel. Disclosure of their compensation such as short term benefit and emolument are stated.

2.24 Profit from operations

Operating profit is the result generated from the continuing principal revenue producing activities of the company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

2.25 Share capital, reserves and dividends

(i) **Share capital**

The Company has only one class of shares; ordinary shares. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(ii) **Reserves**

Reserves include all current and prior period retained earnings, share premium, revaluation reserve and reserve on actuarial valuation of defined benefit obligations.

(iii) **Dividends**

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the company's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the company. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position.

(iv) **Share Premium**

Premium from the issue of shares are reported in share premium.

2.26 Property Plant & Equipment

i. Leasehold Land (Right-of-use assets)

The Company 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, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

ii. Other Property Plant & Equipment

All other items of property, plant and equipment are initially recognised at cost and subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

Cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognised within provisions. However, the company does not have such dismantling cost provisioning.

Increases in carrying amounts arising from revaluation are recognised in other comprehensive income and accumulated in equity, unless they reverse a revaluation decrease of the same asset previously recognised in profit or loss. In this case, the increase are recognised in profit or loss. Decreases in carrying amounts are recognised in other comprehensive income to the extent of any credit balance existing in the equity in respect of that asset and reduces the amount accumulated in equity. All other decreases in carrying amounts are recognised in profit or loss.

Subsequent Expenditure

Subsequent Expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or its subsequent revalued amount less its residual value.

Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful lives.

	Years of useful lives
Leasehold Land	15 years
Computer Equipment	5 years
Building	28.5 years
Plant and Machinery	10 years
Furniture and Fittings	4 years
Office Equipment	5 years
Motor Vehicle	4 years

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 charged to income in the year the asset is derecognized.

Capital Work-in-Progress

Capital work-in-progress is stated at cost less impairment in value, if any. It consists of expenditure incurred and advances made in respect of tangible fixed assets in the course of their erection, installation and acquisition.

Capital Work-in-Progress (Continued)

This includes cost of construction, plant and equipment and other direct costs plus borrowing costs which includes interest charges used to finance these projects during the construction period to the extent that they are regarded as an adjustment to borrowing costs.

Capital work-in-progress is not depreciated until such time as the assets are completed and ready for operational use which are transferred to the relevant category of property, plant and equipment and depreciated in accordance with the depreciation policy.

2.27 Impairment of Non-financial assets

The carrying amounts of the Company's non-financial assets 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. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit 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 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 or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the 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. A reversal of an impairment loss is recognised immediately in the profit or loss.

When an impairment loss is recognized for a cash-generating unit, the loss is allocated first to reduce the carrying amount of the goodwill allocated to the CGU if any, and then, to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. After the impairment loss, the new carrying value of the asset is depreciated prospectively over its remaining life.

Assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each year end. The carrying value of the assets, revised due to the increase of the recoverable value of the assets, cannot exceed the carrying amount (net of depreciation) that would have been determined had no impairment been recognized in prior periods. Such reversal is recognized in the statement of profit or loss.

The following criteria are also applied in assessing impairment of specific assets:

a) Goodwill

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

b) Software

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired

2.28 Lease

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

i Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;

The amount expected to be payable by the lessee under residual value guarantees;

The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and

Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

ii The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or nonlease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the nonlease components.

The Company as a lessor

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company’s net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies IFRS 15 to allocate the consideration under the contract to each component.

2.29 Investment Properties

Investment property is property held to earn rentals. Investment property is stated at cost and not at fair value determined at balance sheet date by an independent sworn appraiser based on market evidence of the most recent prices achieved in arm's length transactions of similar properties in the same areas.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer, applying a valuation model recommended by the regulatory authorities.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Company accounts for it in accordance with the policy stated under property, plant and equipment up to the date of change.

3 Application of new and revised International Financial Reporting Standards (IFRSs)

3.1 New and revised IFRSs/IFRICs affecting amounts reported and/or disclosures in these financial Statement

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting periods that begin on or after 1st January 2021.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact on the Company.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs

These amendments had no impact on the financial statements of the company, but may impact future periods should the company enters into any business combinations.

New and revised IFRSs in issue but not yet effective

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach. The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The implementation of the Standard is unlikely to bring significant changes entity's processes, systems and financial statements as the Company does not hold insurance contracts.

IFRS 17 is effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted as long as IFRS 9 is also applied

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendment applies to annual periods beginning on or after 1 January 2022, with earlier application permitted. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendment applies to annual periods beginning on or after 1 January 2023, with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
The implementation of the Standard is unlikely to bring significant changes entity's processes, systems and financial statements.

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

'The amendment applies to annual periods beginning on or after 1 January 2022, with earlier application permitted. The amendments specify that the ‘cost of fulfilling’ a contract comprises the ‘costs that relate directly to the contract’. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The implementation of the Standard is unlikely to bring significant changes entity’s processes, systems and financial statements.

4. **Critical accounting estimates and judgements**

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assupmtions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

(a) ***Income and deferred taxation***

The Company incurs significant amounts of income taxes payable, and also recognises significant changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

(b) ***Impairment of property, plant and equipment***

The Company assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Company's estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions over the remaining useful life of the cash flow generating assets.

(c) **Legal proceedings**

The Company reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Company's management as to how it will respond to the litigation, claim or assessment.

(d) **Trade Receivables**

The Company assesses its trade receivables for probability of credit losses. Management considers several factors including past credit record, current financial position and credibility of management, judgement is exercised in determining the allowances made for credit losses.

(e) **Employee Benefit Obligation (Defined Benefit Plan)**

The cost of the defined benefit plans and the present value of retirement benefit obligations and long service awards are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and changes in inflation rates. Due to the complexities involved in the valuation and its long-term nature, these obligations are highly sensitive to changes in assumptions.

(f) **Impairment of Goodwill**

The Company assesses its goodwill for possible impairment if there are events or changes in circumstances that indicate that carrying values of the cash generating unit (CGU) may not be recoverable, or atleast at every reporting date.

The assessment for impairment entailed comparing the carrying value of the cash generating unit containing the goodwill with its recoverable amount. The recoverable amount is based on an estimate of the value in use of these assets. Value in use is determined on the basis of discounted estimated future net cash flows. During the year, the Company recognised no impairment losses in respect of goodwill. See further details in Notes 15.

5. Risk Management

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure effective implementation and policies through the company's senior management.

The Company’s senior management oversees the management of these risks. The Company’s senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company’s senior management that the Company’s financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with company policies and risk appetite.

The company's financial instruments are exposed to certain financial risk including credit risk, liquidity risk, commodity risk and interest rate risk. The company's exposure to these risks and its methods of managing the risks remain consistent.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below:

5.1 CREDIT RISK

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Management assesses the credit risk of new customers before entering into contracts with such customers. Purchase limits are established for each customer based on the credit risk assessment.

Management determines concentrations of credit risk by quarterly monitoring the creditworthiness of existing customers and through a monthly review of the trade receivables' ageing analysis.

The Company's current credit risk grading framework comprises the following categories

Category	**Description**	**Basis for recognising Expected Credit Losses**
Performing	The counter party has a low risk default and does not have any past due amounts	12 - Month ECL
Doubtful	Amount> 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL- not credit impaired
In default	Amount is > 90 days past due or there is evidence indicating the assets is credit impaired.	Lifetime ECL- credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the company has no realistic prospect of recovery	Amount is written off

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5.1 CREDIT RISK (CONTD)

For trade and other receivables, the company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on these items by making provisions based on historical credit loss experience, past due status of the customers, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit profile of these assets is presented based on their past due status. Further disclosures regarding trade and other receivables which are neither past due nor impaired are provided in Note 17

5.2 Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the company's normal operating requirements on an ongoing basis and its expansionary plans.

The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of not less than 90days.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

As at 31 December 2021	**On Demand**	**Less Than 3 months**	**3 to 12 months**	**Above 1 year**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Financial Liabilities					
Borrowings	-	-	79,166	136,700	**215,866**
Trade and Other Payables	258,731	776,192	603,705	86,244	**1,724,871**
	258,731	**776,192**	**682,872**	**222,943**	**1,940,737**
As at 31 December 2020					
Financial Liabilities					
Borrowings	-	-	15,931	270,890	**286,821**
Trade and Other Payables	255,635	766,904	596,481	85,212	**1,704,232**
	255,635	**766,904**	**612,412**	**356,102**	**1,991,053**

Value added tax, withholding tax, prepayment, advance to suppliers, provisions and other statutory related items are not included as part of financial instruments.

5.3 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its loans. The risk that the Company will realize a loss as a result of a decline in the fair value of loans is limited because the company's loans are based on market interest rate. The Company monitors its exposure to interest rates annually.

5.4 Foreign exchange risk

Foreign exchange risk arises when the Company enters into transactions denominated in a Currency other than its functional Currency and this is very significant considering that the Company has assets denominated in foreign currency.

The Company is exposed to foreign exchange risk from its domiciliary accounts with commercial banks. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows: -

Cash & Cash Equivalents	Assets	Liabilities
	2021	2021
	₦'000	₦'000
US dollars ($)	565,523	-
Pound Sterling (£)	1,063	-
Euro	2,483	-

	Assets	Liabilities
	2020	2020
	₦'000	₦'000
US dollars ($)	238,024	-
Pound Sterling (£)	4,347	-
Euro	1,292	-

5.5 Capital Management

Capital consists of share capital, retained earnings and other reserves attributable to the equity holders of the company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 35% and 50%. Included within net debt are interest bearing loans and borrowings, trade and other payables less cash and cash equivalents:

	2021 ₦'000	2020 ₦'000
Borrowings	215,866	286,821
Trade and other payables	2,704,473	2,353,662
Less: Cash and short-term deposits	(1,834,458)	(2,215,414)
Net debt	**1,085,881**	**425,069**
Equity	19,341,291	19,199,237
Capital and net debt	**20,427,172**	**19,624,307**
Gearing ratio - Net debt divided by (capital/equity plus net debt) (%)	**5.32**	**2.17**

5.6 Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are the same as their carrying amounts shown in the statement of financial position.

The table below shows the analysis of the financial assets and liabilities:

	31 December, 2021		31 December, 2020	
	Carrying Value ₦'000	Fair Value ₦'000	Carrying Value ₦'000	Fair Value ₦'000
Financial Assets				
Cash and Cash Equivalents	1,834,458	1,834,458	2,215,414	2,215,414
Trade and Other Receivables	2,034,256	2,034,256	1,805,328	1,805,328
	3,868,714	**3,868,714**	**4,020,742**	**4,020,742**
Financial Liabilities				
Borrowings	215,866	215,866	286,821	286,821
Trade and Other Payables	1,724,871	1,724,871	1,704,232	1,704,232
	1,940,737	**1,940,737**	**1,991,053**	**1,991,053**

Value added tax, withholding tax, prepayment, advance to suppliers, provisions and other statutory related items are not included as part of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5.7 Financial instruments by category

	31 December, 2021		31 December, 2020	
	Financial Assets Amortized Cost	Financial Liabilities Amortized Cost	Financial Assets Amortized Cost	Financial Liabilities Amortized Cost
	₦'000	₦'000	₦'000	₦'000
Financial Assets				
Cash and Cash Equivalents	1,834,458	-	2,215,414	-
Trade and Other Receivables	2,034,256	-	1,805,328	-
Financial Liabilities				
Borrowings	-	215,866	-	286,821
Trade and Other Payables	-	1,724,871	-	1,704,232
	3,868,714	**1,940,737**	**4,020,742**	**1,991,053**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

6
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.

	2021	2020
	₦'000	**₦'000**
Revenue from contract with Customers	8,657,635	6,833,185
Other revenue		
Investment Properties Rental Income	49,813	148,407
Total Revenue	**8,707,448**	**6,981,593**

6.1 Disaggregation of revenue from contracts with customers:

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

	2021	2020
i. Major Service Lines	**₦'000**	**₦'000**
Foreign Handling	1,284,087	885,499
Domestic Handling	820,443	439,139
Ad-hoc Handling	10,140	2,302
Cargo Handling -Import	5,591,518	4,864,587
Cargo Handling -Export	577,469	447,901
VIP Lounge Service Income	7,232	4,069
Hajj Operations	-	5,152
Equipment Rental	318,900	139,300
Haulage/Crew Bus Services	12,449	16,925
DCS/PAX Handling Income	544	530
Airport Security Services	26,738	11,395
Christian Pilgrimage Handling	8,619	16,890
	8,658,139	**6,833,689**
Discount Allowed	(503)	(504)
	8,657,635	**6,833,186**
ii. Timing of revenue recognition		
Service transferred at a point in time	8,657,635	6,833,185
Service transferred over time	49,813	148,407
	8,707,448	**6,981,592**

6.2 Contract balances

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

	2021	2020
	₦'000	**₦'000**
Receivables, which are included in ‘trade and other receivables’	1,358,702	1,257,316
Contract liabilities	112,261	111,930
	1,470,963	**1,369,246**

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.

6.3 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.

6.4 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 off-loading).

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.

7	2021 ₦'000	2020 ₦'000
DIRECT COST		
Cargo Shed/ Warehouse	238,468	177,937
Concession Fees	452,523	354,495
Pax Handling	-	-
Oil and Lubricants	95,485	41,840
VIP Lounge	2,282	2,348
DCS/Check-In Counter Expenses	45,582	28,837
Baggage Logistics Expenses	501	3,091
Equipment Running	417,469	560,154
Equipment Repairs	441,286	-
Ground Equipment Spares	-	32,636
RAMP	64,381	64,511
Hajj Operation	-	36,240
Christian Pilgrimage	260	1,436
Crew Bus Operation expenses	3,295	4,080
Cargo Warehouse Incentives	-	-
Direct Labour Cost	1,677,150	1,197,738
Other Direct Costs	5,888	26,095
Miscellaneous Cost	20,827	10,888
	3,465,397	**2,542,324**
Depreciation	1,385,282	1,410,575
	4,850,679	**3,952,899**

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.

8	2021 ₦'000	2020 ₦'000
OTHER INCOME		
Scraps	47,347	28,510
Refund	21,728	-
Federal Government COVID-19 Grant	-	76,067
	69,075	**104,577**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021	2020
9	**₦'000**	**₦'000**
ADMINISTRATION EXPENSES		
Employee benefit expenses **(Note 11)**	1,117,283	799,149
Depreciation & amortisation	488,092	440,389
Printing and stationery	57,505	25,457
Transport and traveling	76,812	43,903
Vehicle running expenses	62,250	42,123
Telecommunication and courier	30,667	32,197
Staff training and development	80,381	24,420
Advertisement and publications	21,474	9,569
Public relations	19,955	25,749
Sales promotion	36,246	30,774
Subscription	3,627	860
Newspaper, periodical and magazine	992	954
Rent and electricity	226,184	209,721
Medical expenses	127,274	65,277
Insurance premium	62,135	53,751
Legal expenses	1,175	2,204
Audit fees (Note 9(a))	8,600	8,600
Repairs of office equipment	1,737	9,610
Repairs and maintenance of building	107,416	57,803
Entertainment	17,902	12,200
Gifts and donations	73,255	52,000
Hotel and accommodation	6,233	9,665
Repair of furniture and fittings	18,491	17,884
Computer support and accessories	61,555	42,015
Lighting and fitting expenses	12,287	12,270
Premises upkeep and cleaning	59,439	40,761
Special security expenses	27,858	19,564
Office running expenses	13,700	12,945
Board meeting expenses	11,750	6,380
Recruitment expenses	-	53
Staff welfare expenses	7,300	24,650
Professional and business fees	23,793	43,329
Directors expenses	12,000	12,000
Debt Written off	-	-
Bank charges	48,909	35,689
Government levies	3,513	6,313
Impairment Allowance on Receivables	250,527	303,977
Other expenses	44,342	43,068
	3,222,661	**2,577,275**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021	2020
9(a)	**₦'000**	**₦'000**
AUDIT AND NON- AUDIT SERVICES		
i) Audit Services	8,600	8,600
ii) Non- Audit Services	-	-
	8,600	**8,600**

10		
FINANCE INCOME AND FINANCE COST		
Finance Income		
Interest Income	15,663	5,593
Foreign exchange gain	82,453	188,835
	98,116	**194,428**
Finance Expense		
Interest on loan	29,947	26,214
Interest on defined benefit obligation	206,205	157,544
	236,152	183,758
Foreign exchange loss	-	-
	236,152	**183,758**

No Interest was capitalized to property, plant and equipment during the year (2020: Nil)

The schedule below shows the exchange rates presented in one unit of foreign currency to Naira for the significant currencies used in the company

	2021	2020
	Year end rate	**Year end rate**
United States Dollar to Naira	411.15	379.50
Great Britain Pound Sterling to Naira	554.61	518.02

11		
EMPLOYEE BENEFIT EXPENSES		
Salaries and wages	614,314	481,394
Pension fund contribution	38,674	27,869
Leave allowance	45,783	34,124
Gratuity and terminal benefits	174,911	79,117
Long service award	-	8,609
Overtime	22,425	13,122
13th month salary	169,967	120,087
Other allowance	9,055	4,955
ITF contribution	21,884	15,516
NSITF employee compensation	20,270	14,356
	1,117,283	**799,148**

	2021	2020
11.1	**Number**	**Number**
The Average number of employees per department:		
Operations	1,041	1,585
Administrations	45	45
	1,086	**1,630**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

11.2

Employees remuneration Scale	**2021**	**2020**
RANGE	**Number**	**Number**
< 1000000	594	1,138
1000000-2000000	413	413
2000001-3000000	52	52
3000001-4000000	13	13
4000001-5000000	11	11
5000001-6000000	-	-
6000001-7000000	-	-
7000001-8000000	-	-
8000001-15000000	3	3
	1086	**1630**

	2021	**2020**
11.3	**₦'000**	**₦'000**
Directors' remuneration:		
Directors' remuneration	49,200	61,589
Board meeting expenses	11,750	6,380
	60,950	**67,969**

12
Profit for the year

Profit for the year is arrived at after deducting or charging the following:

Depreciation of property, plant and equipment	1,851,000	1,838,511
Auditors' remuneration	8,600	8,600
Employee benefits expense	1,117,283	799,149

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

13
PROPERTY, PLANT AND EQUIPMENTS

	Leasehold Land	Building	Motor Vehicle and Trucks	Plant and Machinery	Furniture, Fixture and Fittings	Computer Equipment	Office Equipment	Sundry Tools	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'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
Additions	-	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**
At 1 January 2020	40,950	4,680,167	218,940	11,857,542	567,575	72,743	223,228	41,681	17,702,825
Additions	-	160,848	3,853	570,802	34,838	21,662	16,875	64,766	873,643
At 31 December 2020	**40,950**	**4,841,014**	**222,793**	**12,428,344**	**602,413**	**94,405**	**240,102**	**106,447**	**18,576,468**
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**
At 1 January 2020	27,300	344,072	90,055	2,577,243	291,726	37,008	87,518	31,574	3,486,497
Charge for the year	2,730	180,147	55,826	1,410,575	123,641	14,746	43,975	6,871	1,838,511
At 31 December 2020	**30,030**	**524,218**	**145,881**	**3,987,818**	**415,368**	**51,754**	**131,494**	**38,445**	**5,325,009**
Carrying amount:									
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**
At 31 December 2020	**10,920**	**4,316,796**	**76,912**	**8,440,526**	**187,045**	**42,650**	**108,609**	**68,002**	**13,251,459**

Property, plant and equipment includes right-of-use assets of NGN10.9Million (2020: NGN10.9 Million) related to leased hold land.

13.1 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.

13.2 Assets pledged as security

Borrowings are secured by a debenture on fixed and floating assets of the company (Note 20).

	2021	2020
13.3 Depreciation charged during the period are included in:	**₦'000**	**₦'000**
Cost of sales	1,385,282	1,410,575
Administrative expenses	465,718	427,936
	1,851,000	**1,838,511**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

14
INVESTMENT PROPERTIES

	Building
Cost	**₦'000**
At 1 January 2021	451,172
Additions	393,001
At 31 December 2021	**844,173**
At 1 January 2020	347,093
Additions	104,079
At 31 December 2020	**451,172**
Accumulated Depreciation	
At 1 January 2021	67,551
Charge for the period	20,764
At 31 December 2021	**88,316**
At 1 January 2020	55,345
Charge for the year	12,206
At 31 December 2020	**67,551**
Carrying amount	
At 31 December 2021	**755,858**
At 31 December 2020	**383,621**

The fair value of the Investment Properties as at the reporting period was ₦784.01 million (2020: ₦784.01million). The investment property was independently valued by J. Ajayi Patunola & Co. (a registered estate surveyor & valuer) FRC/2013/0000000000679 as at 31 December 2021 (2020: J. Ajayi Patunola & Co.(a registered estate surveyor & valuer) FRC/2013/0000000000679), using the open market value. The rental income arising from these properties during the year is included in Other Revenue.

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 State, Nigeria which were made available for rental during the year.

	2021	2020
	₦'000	**₦'000**
b) Net amounts recognised in profit or loss for investment properties are as follows:		
Rental income	49,813	148,407
Direct operating expenses	(21,483)	(40,462)
Depreciation	(20,764)	(12,206)
	7,565	**95,738**

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

c) Non-current assets pledged as security

Refer to note 20 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:

	2021	2020
	₦'000	₦'000
Within one year	83,055	83,055
Later than one year but not later than 5 years	29,206	28,875
	112,261	**111,930**

15
INTANGIBLE ASSETS

	Website	Software	Goodwill	Total
Cost	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance at 1 January 2021	1,050	7,802	4,057,388	4,066,240
Addition	-	2,500	-	2,500
Balance at 31 December 2021	**1,050**	**10,302**	**4,057,388**	**4,068,740**
Balance at 1 January 2020	1,050.00	-	4,057,388	4,058,438
Addition	-	7,802.00	-	7,802
Balance at 31 December 2020	**1,050**	**7,802**	**4,057,388**	**4,066,240**
Amortisation				
Balance at 1 January 2021	298	37	-	334
Impairment Loss	-	-	-	-
Amortisation	-	1,644	-	1,644
Balance at 31 December 2021	**298**	1,681	**-**	**1,978**
Balance at 1 January 2020	88	-	-	88
Impairment Loss	-	-	-	-
Amortisation	210	37	-	247
Balance at 31 December 2020	**298**	**37**	**-**	**334**
Carrying amount				
31 December 2021	**753**	**8,621**	**4,057,388**	**4,066,762**
31 December 2020	**753**	**7,765**	**4,057,388**	**4,065,906**

a
Impairment test
There was no impairment loss on Goodwill during the year.

i. Impairment testing for CGUs(Cash Generating Unit) containing Goodwill

Aircraft Handling (Foreign & Domestic) and Cargo Handling

The recoverable amount of these CGUs(Cash Generating Unit) was based on its value in use, determined by the discounted future cash flows to be generated from the continue use of the CGUs. The carrying amount of the CGUs (=N=4.05 billion) was determined to be lower than the recoverable amount of =N=5.9 billion. Hence no impairment loss was recognised during the period (2020:Nil).

The key assumptions used in the estimation of value in use were as follows;

	2021	**2020**
	%	%
Discounted rate	15	15
Terminal value growth rate	14	14
Budgeted EBITDA growth rate (average of next five year)	2	2

The discount rate was a pre-tax measure based on the rate of 5-year government bonds issued by the government in the relevant market and in the same currency as the cashflows.

Five years of cash flows were included in the discounted cash flow model. A long term growth rate into perpetuity has been determined as the lower of the nominal gross domestic product rate and the long term compound annual EBITDA growth rate estimated by the management.

Budgeted EBITDA was based on the expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. The revenue growth was projected taking into account the average growth levels experienced over the past five years.

Following an annual test of impairment carried at the reporting date, the estimated recoverable amount exceeded its carrying amount by approximately ₦1.9 billion.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021	2020
16	**₦'000**	**₦'000**
INVENTORIES		
Spares	300,172	172,152
Oil and lubricants	10,589	5,259
	310,762	**177,410**

During 2021, ₦1,175,001,641 (2020: ₦93,993,767) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

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

The company's inventories were also not written down during the period (2020 : Nil).

17

TRADE AND OTHER RECEIVABLES	**2021**	**2020**
	₦'000	**₦'000**
Trade Receivables	2,653,390	2,418,274
Less: Allowance for Impairment (Note 17(a)(i))	(1,294,688)	(1,160,958)
	1,358,702	**1,257,316**
Loan to ABX World		
Due from related parties (Note 22.2)	609,303	470,692
Advance to Suppliers (Note 17(b))	1,142,135	993,137
Other Receivables (Note 17(c))	141,483	176,486
Staff Loan (Note 17(d))	66,251	77,320
Prepayments (Note 17(e))	50,742	33,463
	3,368,616	**3,008,416**

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.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the company's different customer base.

	Not Past Due	**<30**	**31 to 90**	**>90**	**Total**
	₦'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Estimated total carrying amount at default	1,764,666	462,137	177,745	248,843	2,653,390
Expected credit loss rate (%)	3.99	6.12	12.92	100.00	
Lifetime expected credit loss	70,369	28,262	22,963	248,843	370,437

	2021	2020
a) Allowance for impairment on trade receivables	**₦'000**	**₦'000**
Balance at the beginning of the period	1,304,015	1,099,261
Bad Debts Written-Off	-	(99,223)
Allowance for Impairment for the period	146,673	303,977
Balance at end of the period	**1,450,688**	**1,304,015**

	2021	2020
	₦'000	₦'000
i.) Allowance for impairment is further analysed below		
Trade Receivables	1,294,688	1,160,958
Advance to Suppliers	105,000	92,057
Other Receivables	51,000	51,000
	1,450,688	**1,304,016**

b) Advance to Suppliers

Cash with Suppliers	1,247,135	1,085,195
Allowance for impairment of advance to suppliers (Note 17(a)(i))	(105,000)	(92,057)
	1,142,135	**993,137**

c) Other Receivables

Staff Advance for Expenses	57,585	21,534
Withholding Tax Receivables	83,898	154,952
Loan to ABX World	51,000	51,000
Allowance for impairment of loan to ABX World (Note 17(a)(i))	(51,000)	(51,000)
	141,483	**176,486**

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.

18 CASH AND CASH EQUIVALENTS

	2021	2020
	₦'000	₦'000
Cash	6,204	11,155
Bank	1,379,458	2,036,977
Short term deposits	448,795	167,282
	1,834,458	**2,215,414**

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:

	2021	2020
	₦'000	₦'000
Cash	6,204	11,155
Bank	1,379,458	2,036,977
Short term deposits	448,795	167,282
	1,834,458	2,215,414
Bank Overdrafts	-	-
	1,834,458	**2,215,414**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021	2020
19	**₦'000**	**₦'000**
TRADE AND OTHER PAYABLES		
Trade Payables	841,367	901,761
Customers Deposits	429,653	277,263
Due to Related Parties (Note 23.2)	-	-
Provision for concession fee	546,081	451,059
Other Payables	15,803	26,544
Accruals (Note 19.2)	321,619	324,868
Statutory obligations payables (Note 19.3)	549,950	372,168
	2,704,473	**2,353,662**

19.1

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.

	2021	2020
	₦'000	**₦'000**
19.2		
Accruals		
Stamp Duties	14,964	11,616
Others	306,656	313,252
	321,619	**324,868**
19.3		
Statutory obligation payables – tax and social security payments		
Withholding tax payables	9,282	12,294
Value added tax payable	234,965	119,743
ITF Contribution Payable	2,054	1,293
NSITF contribution payable	23,142	22,427
Pension Payable	151,095	129,557
PAYE Payable	13,880	8,641
Cooperative and thrift	113,898	74,774
Union dues payable	793	734
NHF Payable	1	1
Payroll Clearance	839	692
Leave allowance accruals	-	3
Federal Housing Loan	-	2,010
	549,950	**372,168**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021	2020
	₦'000	₦'000
20		
BORROWINGS		
United Bank for Africa Plc.	215,866	286,821
	215,866	**286,821**
Classification of borrowings:		
Current	79,166	15,931
Non-Current	136,700	270,890
	215,866	**286,821**

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 intial 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.

21

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

	2021	2020
	₦'000	₦'000
Opening Balance	286,821	152,592
Changes from Financing Cash flows		
Additional Borrowing	-	319,041
Repayment of Borrowings	(70,955)	(184,813)
Other Changes		
Interest Expense	29,947	26,214
Interest Paid	(29,947)	(26,214)
	-	-
Closing amount as at ending	**215,866**	**286,821**

22

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:

22.1 Identity of Related Party

Port and Cargo Handling Services Company Limited
Sifax Shipping Company Limited
Mac Folly 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

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.

Mac Folly Hospitality
Mac Folly Hospitality prides itself as a leader in the hospitality industry in Nigeria. The amount outstanding represent cost and expenses incurred by the company on behalf of Skyway Aviation Handling Company Plc.

22.2 Outstanding Balances	**2021**	**2020**
	₦'000	**₦'000**
Due to related entities		
Port and Cargo Handling Services Company Limited	-	-
Sifax Shipping Company Limited	-	-
Mac Folly Limited	-	-
	-	**-**
Due from related entities		
Sifax Shipping Company Limited	609,303	470,692
	609,303	**470,692**

22.3 Terms and conditions of transactions with related parties

* No technical management fees were paid by Skyway Aviation Handling Company Plc. to its parent company during the year.

* The sales to and purchases from related parties are made at terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

For the period ended 31 December 2021, the Company has not recorded any impairment of receivables to amounts owed by related parties (2020: Nil). This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

22.4 Key Management Personnel
Key management personnel are those who have authority and responsibility of planning directing and controlling activities in the company either directly or indirectly. These include:

1. Executive Director
2. Non-Executive Director
3. Management team that implements board strategy by board delegated authority.

Loans to director
The company did not lend money to any of its directors during the year under review

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

Payment on behalf of key management personnel
There were no payment on behalf of key management personnel during the year under review.

Key management personnel compensation
Key management personnel compensation for the year comprise:

	2021 Number	2020 Number
Directors	11	11
Aggregate number of persons senior management	16	16
	27	**27**

	2021 ₦'000	2020 ₦'000
Salaries and other short term benefits	91,516	91,516
Pension and other post employment benefits	144,928	144,928
	236,444	**236,444**

23	**2021 Unit**	**2020 Unit**
SHARE CAPITAL		
Authorised:		
Ordinary shares of 50k each	**1,500,000,000**	**1,500,000,000**
(2020: Ordinary shares of 50k each)		
Issued and fully paid		
Ordinary shares of 50k each	**1,353,580,000**	**1,353,580,000**
(2020: Ordinary shares of 50k each)		

	2021 ₦'000	**2020 ₦'000**
Authorised:		
Balance at the beginning and end of the year	**750,000**	**750,000**
Issued and fully paid		
Balance at the beginning and end of the year	**676,790**	**676,790**

24 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 10% by the employer.

	2021	2020
	₦'000	₦'000
Balance at beginning	129,557	129,557
Charge to profit or loss	123,678	158,975
Payments during the year	(102,140)	(147,667)
Balance at the end	**151,095**	**129,557**

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.

As at 31 December 2021, contributions of ₦151.095 million (2020:₦ 129.5 Million) due in respect of the 2021 reporting period had not been paid on to the plans. The amounts were paid subsequent to the end of the reporting period.

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 valuations of the present value of the defined benefit plan were carried out at 31 December 2021 by Seyi Katola & Co (FRC/2013/ICAN/00000003609). The present value of the plan and the related current service cost and past service cost, were measured using the Projected Unit Credit (PUC) Method.

In calculating the liabilities, the method:

i. Recognises the company service rendered by each member of staff at the review date.
ii. Anticipates that salaries will increase between the review date and the eventual exit date of the employee via withdrawal, death or retirement and then;
iii. Discounts the expected benefit payment to the review date.

i) Valuation Assumptions

The valuation assumptions fall under two broad categories:
- Financial Assumptions
- Demographic Assumptions

a. Financial Assumptions

The principal financial assumptions used for the purposes of the actuarial valuations were as follows:

Financial Year Ending	**2021**	**2020**
	%	**%**
Long Term Average Discount Rate (pa)	15	15
Average rate(s) of salary increase (pa)	16	16
Average Inflation rate (pa)	14	14

Discount Rate

In order to measure the liability, the projected benefit must be discounted to a net present value as at the current statement of financial position date, using an interest assumption (called the discount rate).

IFRS through IAS 19 requires that the discount rate be determined on the company's statement of financial position date by reference to market yields on high quality corporate bonds (except where there is no deep market in such bonds, in which case the discount rate should be based on market yields on Government bonds).

The discount rate should reflect the duration of the liabilities of the benefit programme.
The weighted average liability duration for the plan is 10 years. The average weighted duration of the closest Nigerian Government bond as at 31st December, 2021 was 10 years with a gross redemption yield of 10.43%.

We have prudently adpoted 15% discount rate for this valuation. This is 4.28% above gross redemption yield of the Nigerian Government Bond to account for the company's unsystematic risk.

Pay Increase

We have assumed salaries will on the average increase at a rate of 2% above inflation and adopted a long-term salary increase of 15.0% p.a for future years after 2021

b. Demographic Assumptions

Mortality in Service

The rates of mortality assumed for employees are the rates published in the A67/70 Ultimate Tables, published jointly by the Institute and Faculty of Actuaries in the UK.

Sample age	Number of deaths in year of age out of 10,000 lives
25	7
30	7
35	9
40	14
45	26

Withdrawal from Service

Age Band	2021 Rate	2020 Rate
Less than or equal to 30	12.0%	10.0%
31 – 35	8.5%	8.0%
36 – 44	5.0%	6.0%
45 – 50	3.5%	4.0%
51 – 55	2.5%	2.0%

ii) 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:

	2021 ₦'000	2020 ₦'000
Present value and funded Status of the defined benefit plan	**1,669,197**	**1,374,699**

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

	2021 ₦'000	2020 ₦'000
Balance at beginning of the year	1,374,699	1,050,292
Current service cost	91,422	79,117
Interest cost	206,205	157,544
Actuarial losses - Change in assumption	178,546	204,912
Actuarial (gains)/losses - Experience adjustment	(115,826)	(64,775)
Actuarial losses/(gains) - Settlement	11,806	8,651
Benefit Payment	(77,655)	(61,042)
Balance at end of the year	**1,669,197**	**1,374,699**

Reconciliation of Change in the fair value of plan assets are as follows:

	2021 ₦'000	2020 ₦'000
Balance at beginning of the year	-	-
Contribution by employers	-	-
Benefits payment from the fund	-	-
Expected return on plan assets	-	-
Actuarial gain/(loss) on plan assets	-	-
Balance at end of the year	**-**	**-**

Amounts recognised in Profit or Loss in respect of these defined benefit plans are as follows:

	2021 ₦'000	2020 ₦'000
Current service cost (Employee cost)	91,422	79,117
Interest on obligation (Finance cost)	206,205	157,544
	297,627	**236,661**

Amounts recognised in Other Comprehensive Income are as follows:

	2021 ₦'000	2020 ₦'000
Actuarial (gain)/loss on defined benefit plan:		
- Change in Assumption	178,546	204,912
- Change in Experience adjustment	(115,826)	(64,775)
	62,720	140,137
Actuarial (gain)/loss on Settlement during the year	11,806	8,651
	74,526	**148,788**

Net(Liability)/Asset recognized in the Statement of Financial Position

	2021	2020
Net (Liability)/Asset recognised in the Statement of Financial Position - Opening	1,374,699	1,050,292
Net Periodic Benefit Cost recognised in the Profit or loss	297,627	236,661
Benefit paid by employer during the year	(77,655)	(61,042)
Amount recognised in Other Comprehensive income	74,526	148,788
	1,669,197	**1,374,700**

iii) Sensitivity Analysis on Accrued Liability

		Accrued liabilities	
		2021 **₦'000**	**2020** **₦'000**
Sensitivity Base	**Parameters**	1,669,197	1,699,105
Discount rate	+1%	1,184,868	1,184,868
	-1%	1,601,539	1,601,539
Salary Increase	+1%	1,549,609	1,549,609
	-1%	1,218,580	1,218,580

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021	2020
25	**₦'000**	**₦'000**
RETAINED EARNINGS		
As at beginning of the year	4,565,060	4,306,024
Profit for the year	282,030	482,377
Dividend Paid (Note 33)	(223,342)	(223,341)
As at the end of the year	**4,623,746**	**4,565,060**

26
REVALUATION RESERVE

As at beginning and ending of the year	**9,088,895**	**9,088,895**

The revaluation reserve relates to the revaluation of Property, Plant & Equipment (Refer to Note 13.1).

	2021	2020
27	**₦'000**	**₦'000**
ACTUARIAL VALUATION RESERVE		
As at beginning of the year	181,806	169,323
Other Comprehensive Income	83,366	12,483
As at the end of the year	**265,171**	**181,806**

Actuarial valuation reserve represents the actuarial gain or loss on remeasurement of defined benefits obligation.

28
SHARE PREMIUM

As at beginning of the year	4,784,010	4,784,010
Issued during the year	-	-
As at the end of the year	**4,784,010**	**4,784,010**

This represent the amounts paid by shareholders above the nominal price of the shares

29
EARNINGS PER SHARE

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

	2021	2020
	₦'000	**₦'000**
Net profit attributable to ordinary equity holders	**282,030**	**482,377**
	Number	**Number**
Weighted average number of ordinary shares	1,353,580,000	1,353,580,000
Basic earning per Ordinary Shares (Kobo)	**21**	**36**
Diluted earnings per ordinary shares (Kobo)	**21**	**36**

30
DEFERRED INCOME

Rental Income	**112,261**	**111,930**
Amount received during the period are categorized as follows:		
Current portion	83,055	83,055
Non-Current portion	29,206	28,875
	112,261	**111,930**

NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

31
INCOME TAX LIABILITY
The major components of income tax expense for the period are:

	2021	2020
As per profit or loss:	**₦'000**	**₦'000**
Current income tax charge:		
Income tax	260,170	252,886
Education tax	65,043	50,577
Police Trust Fund Levy	28	2,833
Total Current Tax	**325,241**	**306,297**
Deferred tax:		
Origination and reversal of temporary differences (Note 32)	(42,123)	(222,008)
Total Deferred Tax	**(42,123)**	**(222,008)**
Income Tax Expense	**283,118**	**84,289**
As per other comprehensive Income:		
Origination and reversal of temporary differences (Note 32)	**(83,366)**	**(63,949)**
As Per Statement of Financial Position:		
As at 1 January,	299,838	372,662
Current income tax charge for the period	325,241	306,296
	625,078	**678,958**
Less: Payment during the period		
Withholding Tax Credit Notes	-	(99,387)
Cash	(60,577)	(279,734)
As at 31 December	**564,502**	**299,838**
Reconciliation of Income Tax Expense		
Profit before income taxes	**565,148**	**566,665**
Statutory Company Income Tax Rate	**30%**	**30%**
Expected income tax expense calculated at 30% (2020: 30%)	169,545	170,000
Effects of:		
Tax Credit	(520,341)	(505,772)
Taxable and Non Taxable items	610,967	588,659
	260,170	252,886
Education tax expense at 2.5% (2020: 2%) of assessable profit	65,043	50,577
Total Current Income Tax	**325,213**	**303,463**
Effective Tax Rate	**58%**	**54%**

The tax rate used for 2021 and 2020 reconciliation above is the company income tax rate of 30% based on the provisions of the Companies Income Tax Act, CAP C21, LFN 2001, as amended.
The rate of 2.5% for education tax is based on the provisions of the Education Tax Act, CAP E4, LFN 2004 (as amended).

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DEFERRED TAX LIABILITIES/(ASSETS)
As Per Statement of Financial Position:

	2021	2020
Deferred Tax Relates to the following:	**₦'000**	**₦'000**
Property, Plant and Equipment	371,702	365,016
Investment property	55,342	31,643
Impairment Allowance	(435,206)	(391,205)
Provision	(163,824)	(135,318)
Employee Benefit Liability	(477,463)	(394,097)
	(649,449)	**(523,961)**
As Per Profit or Loss:		
Movement in deferred tax charge:		
Property, plant and equipment	6,686	(175,172)
Investment property	23,700	6,982
Impairment Allowance	(44,002)	(61,426)
Provision	(28,507)	7,608
	(42,123)	**(222,008)**
As Per Other Comprehensive Income:		
Movement in deferred tax charge:		
Employee benefit liability	(83,366)	(63,949)
	(83,366)	**(63,949)**
Summarized Reconciliation of Total deferred tax assets (Net):		
As at 1 January	523,961	238,004
Relating to origination and reversal of temporary differences	125,488	285,956
As at 31 December	**649,449**	**523,961**

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%.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER, 2021

	2021	2020
33	**₦'000**	**₦'000**
DIVIDEND PAID AND PROPOSED		
Declared and paid during the year:		
Dividends on ordinary shares	223,341	223,341
Proposed for approval at the annual general meeting (not recognised as a liability as at 31 December):		
Dividends on ordinary shares for 2021: 16.5k (2020: 16.5K)	223,341	223,341
Dividend per share (Kobo)	16.50	16.50

34
CONTINGENT LIABILITIES, GUARANTEES AND FINANCIAL COMMITMENTS
35.1 Contingent Liabilities

The company in its ordinary course of business is presently in 4 cases as a defendant (2020: 5) and 3 case as a plaintiff (2020: 3). The Directors of the company having sought advice of professional legal counsel are of the opinion that none of the aforementioned cases is likely to have material adverse effect on the Company and not aware of any other pending and or threatened claims or litigation claim which may be material to the financial statements. The following are the current legal suits pending in the law court:

1. Skyway Aviation Handling Company Plc. VS Bellview Airlines.
2. Skyway Aviation Handling Company Plc. VS NICON Insurance & Marsh (Suit No:FHC/IKJ/CS/62/2011.
3. Skyway Aviation Handling Company Plc. VS Afrijet Airlines (FHC/L/CS/77/10)
4. Emmanuel Onyegbula VS Skyway Aviation Handling Company Plc. (Suit No:NICN/LA/49/14)

35.2 Guarantees
The Company did not charge any of its assets to secure liabilities of third parties.

35.3 Financial Commitments
As at the reporting date, there were no financial commitments made by the company.

35.4 Operating Lease Commitments
The Company leases various cargo, warehouse and station offices under non-cancellable operating lease agreements. The lease terms are within 1 year and the majority of lease agreements are renewable at the end of the lease period at the prevailing market rate.

36. EVENTS AFTER THE REPORTING PERIOD
A dividend of 16.5kobo was proposed by the directors for approval at the Annual General Meeting . This will result in a dividend payment of ₦223,340,700 once it is approved by the shareholders at the Annual General Meeting.

37. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 22 March, 2022

OTHER NATIONAL DISCLOSURE
VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 ₦'000	%	2020 ₦'000	%
Revenue	8,707,448		6,981,593	
Other Income	69,075		104,577	
	8,776,524		7,086,168	
Bought in materials and services (Local and Imported)	(3,084,076)		(2,277,005)	
VALUE ADDED	**5,692,449**	**100**	**4,809,163**	**100**
APPLIED AS FOLLOWS:				
1. TO PAY EMPLOYEES:				
Salaries, wages and other benefits	2,794,433	49	1,996,887	42
2. TO PAY PROVIDERS OF FUNDS:				
Finance Cost and Dividend paid	459,495	7	407,099	8
3. TO PAY GOVERNMENT:				
Income Taxes	325,241	6	306,296	6
4. TO PROVIDE FOR REPLACEMENT OF ASSETS AND FUTURE GROWTH:				
Depreciation and Amortisation	1,873,374	33	1,838,511	38
Deferred Tax	(42,123)	(1)	(222,008)	(5)
Retained Earnings	282,030	5	482,377	10
	5,692,449	**100**	**4,809,163**	**100**

Value Added represents the additional wealth created through the effort of the company and its employees. The Statement shows the allocation of that wealth to employees, providers of fund, shareholders, government and the amount retained for the future creation of wealth.

SKYWAY AVIATION HANDLING COMPANY PLC

OTHER NATIONAL DISCLOSURE
FIVE YEAR FINANCIAL SUMMARY
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 ₦'000	2020 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
ASSETS/LIABILITIES					
Property, plant and equipment	13,621,684	13,251,459	14,216,328	14,975,961	6,340,457
Intangible assets	4,066,762	4,065,906	4,058,351	4,057,388	4,057,388
Investment property	755,858	383,621	291,748	301,683	309,502
Deferred tax assets	649,449	523,961	238,004	-	943,599
Current assets	5,513,836	5,401,240	4,395,138	3,751,426	2,891,546
Current liabilities	(3,431,196)	(2,752,486)	(3,074,072)	(2,971,644)	(3,305,982)
Non-current liabilities	(1,835,103)	(1,674,464)	(1,100,457)	(1,362,274)	(5,733,542)
NET ASSETS	**19,341,291**	**19,199,237**	**19,025,040**	**18,752,541**	**5,502,968**
EQUITY					
Ordinary Share Capital	676,790	676,790	676,790	676,790	425,000
Share premium	4,784,010	4,784,010	4,784,010	4,784,010	-
Retained earnings	4,623,746	4,565,058	4,306,022	4,047,357	5,077,968
Revaluation reserve	9,088,895	9,088,895	9,088,895	9,088,895	-
Actuarial valuation reserve	167,850	84,484	169,323	155,489	-
SHAREHOLDERS' FUND	**19,341,291**	**19,199,237**	**19,025,040**	**18,752,541**	**5,502,968**

	2020 ₦'000	2019 ₦'000	2019 ₦'000	2018 ₦'000	2017 ₦'000
PROFIT OR LOSS					
Revenue	8,707,448	6,981,593	7,665,990	6,136,412	4,856,462
Gross Profit	3,856,770	3,028,693	3,346,657	2,606,735	2,199,647
Profit/(Loss) before taxation	565,148	566,665	360,930	(284,844)	125,901
Profit/(Loss) after taxation	282,030	482,377	261,943	(696,985)	217,727
Per Share Data (50 kobo)					
Earnings/(Loss)- Basic	0.21	0.36	0.19	(0.51)	0.51
Earnings/(Loss)- Diluted	0.21	0.36	0.19	(0.51)	0.51
Net Assets	14.29	14.18	14.06	13.85	12.95

Note:

1. Earnings /(loss) per share are based on profit /(loss) after taxation and the number of issued and fully paid ordinary shares at the end of each financial year.

2. Net assets per share are based on net assets and the number of issued and fully paid ordinary shares at the end of each financial year.