Nigerian Aviation Handling Company PLC

Financial Statements -- Q3 2016

Contents

Consolidated and Separate Statement of Comprehensive Income

For the period ended 30- September, 2016

		Group				Company			
	Notes	Q3 2016	Q3 2015	Sep 2016	Sep 2015	Q3 2016	Q3 2015	Sep 2016	Sep 2015
		N'000	₦'000	₦'000	₦'000		₦'000	₦'000	₦'000
Revenue	5	2,116,192	2,070,544	5,881,138	6,316,800	2,042,077	2,052,535	5,746,664	6,289,950
Operating costs		(1,474,665)	(1,426,980)	(4,271,174)	(4,148,186)	(1,503,753)	(1,491,432)	(4,368,920)	(4,300,931)
Gross Profit		641,527	643,564	1,609,964	2,168,614	538,324	561,103	1,377,744	1,989,019
Other gain & (loss)	6	62,804	125,756	356,518	296,949	62,716	125,756	356,430	296,949
Administrative expenses		(505,352)	(509,005)	(1,449,359)	(1,608,495)	(431,085)	(448,335)	(1,267,493)	(1,381,011)
Profit from operations		198,979	260,315	517,123	857,068	169,955	238,524	466,681	904,957
Net finance costs	7	(24,495)	(35,217)	(217,789)	(161,517)	(747)	(11,471)	(145,727)	(104,611)
Profit / (Loss) before tax		174,484	225,098	299,334	695,551	169,208	227,053	320,954	800,346
Income tax expense	8(a)	(38,072)	(49,952)	(72,215)	(176,076)	(38,072)	(49,952)	(72,215)	(176,076)
Profit after tax		136,412	175,146	227,120	519,475	131,136	177,101	248,739	624,270
Other comprehensive income				-		-	-	-	
Total comprehensive income		136,412	175,146	227,120	519,475	131,136	177,101	248,739	624,270
Profit attributable to owners of the company		136,412	175,146	227,120	519,475	131,136	177,101	248,739	624,270
Non-controlling interest	9(a)	(6,700)	5,466	3,670	16,888	-	-	-	
attributable to owners of the company:		129,712	180,612	230,790	536,363	131,136	177,101	248,739	624,270
Total Comprehensive Income for the period		129,712	180,612	230,790	536,363	131,136	177,101	248,739	624,270
Earnings per share									
Basic earnings per share (Kobo)	10	8	11	14	33	8	11	15	38

Consolidated and Separate Statement of Financial Position

For the period ended 30- September, 2016

	Notes	Group June 2016 ₦'000	Group December 2015 ₦'000	Company Sep 2016 ₦'000	Company December 2015 ₦'000
Assets					
Property, plant and equipment	12	6,512,656	6,820,436	5,115,524	5,311,651
Intangible assets	13	230,644	231,752	137,023	138,130
Investment property	14	136,127	138,127	136,127	138,127
Investment in subsidiaries	15	-		39,500	39,500
Deposit for shares	16	-		1,554,538	1,554,538
Loan to Subsidiary	17	-		561,838	373,820
Other non-current assets	18	878,930	2,668,002	878,930	2,668,002
Total non-current assets		7,758,357	9,858,317	8,423,480	10,223,768
Current assets					
Inventories	19	207,224	159,276	207,224	159,276
Trade and other receivables	21	1,444,759	1,339,283	1,496,636	1,451,737
Intercompany receivables	22	-		1,060,188	968,136
Loan to Subsidiary		-		-	188,018
Short term prepayments	20	1,593,512	1,386,279	534,736	540,880
Cash and cash equivalents	23	1,984,763	2,186,023	1,752,322	2,037,847
Total current assets		5,230,258	5,070,861	5,051,106	5,345,894
Total assets		12,988,615	14,929,178	13,474,586	15,569,662
Equity					
Share capital	24	812,109	812,109	812,109	812,109
Share premium	25	1,914,758	1,914,758	1,914,758	1,914,758
Dividend reserves	26	-	324,844	-	324,844
Retained earnings	27	3,395,436	3,169,905	4,004,833	3,756,092
Total equity attributable to equity holders of the Company		6,122,303	6,221,616	6,731,700	6,807,803
Non-controlling interests	28	(119,899)	(125,157)	-	-
Total equity		6,002,404	6,096,459	6,731,700	6,807,803
Liabilities					
Loans and borrowings	29	1,537,500	4,165,924	1,537,500	4,165,924
Deferred tax liabilities	8C	895,615	895,615	895,615	895,615
Total non-current liabilities		2,433,115	5,061,539	2,433,115	5,061,539
Current tax liabilities	8B	251,095	365,053	251,095	365,053
Trade and other payables	30	3,991,254	3,248,579	3,925,398	3,206,883
Deferred Income	31	310,747	157,548	133,279	128,384
Liabilities classified as held for sale					
Total current liabilities		4,553,096	3,771,180	4,309,772	3,700,320
Total liabilities		6,986,211	8,832,719	6,742,887	8,761,859
Total equity and liabilities		12,988,615	14,929,178	13,474,588	15,569,662

NIGERIAN AVIATION HANDLING COMPANY PLC
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Chief Finance Officer
FRC/2016/ICAN/00000013885

Consolidated Statement of changes in equity

For the period ended 30- September, 2016

	Attributable to equity holders of the Group						
	Share Capital	**Share Premium**	**Dividend Reserves**	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
	N'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance at 01 January 2016	**812,109**	**1,914,758**	**324,844**	**3,169,905**	**6,221,616**	**(125,157)**	**6,096,459**
Comprehensive income for the period							
Profit / (Loss) for the period	-	-	-	227,120	227,120	3,670	**230,790**
Other comprehensive income:							
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-	-
Prior year deferred tax adjustment	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**227,120**	**227,120**	**3,670**	**230,790**
Transaction with owners recognised directly in equity							
Dividend paid to owners	-	-	(324,844)	-	(324,844)	-	**(324,844)**
Issue of shares	-	-	-	-	-		**-**
Total transactions with owners of the Company	**-**	**-**	**(324,844)**	**-**	**(324,844)**	**-**	**(324,844)**
Balance at 30th September 2016	**812,109**	**1,914,758**	**-**	**3,397,025**	**6,123,892**	**(121,487)**	**6,002,405**

Consolidated Statement of changes in equity

For the period ended 30- September, 2015

	Attributable to equity holders of the Group						
	Share Capital	**Share Premium**	**Dividend Reserves**	**Retained Earnings**	**Total**	**Non-controlling Interest**	**Total Equity**
	N'000	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**	**₦'000**
Balance at 01 January 2015	**738,281**	**1,914,758**	**295,313**	**3,017,323**	**5,965,675**	**(111,700)**	**5,853,975**
Comprehensive income for the period							
Profit / (Loss) for the period	-	-	-	536,362	536,362	(16,888)	**519,475**
Other comprehensive income:							
Defined benefit plan actuarial gains (losses)	-	-	-	-	-	-	-
Prior year deferred tax adjustment	-	-	-	-	-	-	-
Restated Balance	-	-	-	-	-	-	-
Total other comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**-**	**-**	**-**	**536,362**	**536,362**	**(16,888)**	**519,475**
Transaction with owners recognised directly in equity							
Dividend to owners	-	-	(295,313)	-	(295,313)	-	**(295,313)**
Issue of shares	73,828	-	(73,828)	-	-		**-**
Total transactions with owners of the Company	**73,828**	**-**	**(369,141)**	**-**	**(295,313)**	**-**	**(295,313)**
Balance at 30th September 2015	**812,109**	**1,914,758**	**(73,828)**	**3,553,685**	**6,206,724**	**(128,588)**	**6,078,138**

Consolidated and Separate Statement of Cash Flows

For the period ended 30- September, 2016

		Group		Company	
	Notes	Sep 2016	Sep 2015	Sep 2016	Sep 2015
		N'000	₦'000	₦'000	₦'000
Cash Flows from Operating Activities					
Profit / (Loss) for the year		517,123	857,068	466,681	904,957
Adjustments for non-cash income and expense:					
Depreciation: PPE	12	694,454	649,773	575,735	536,592
Depreciation: Investment property	14	1,815	4,144	1,815	4,144
Amortisation of intangible asset	13	26,646	24,679	26,646	24,679
Impairment loss to trade receivables	32	-	-		
Loss/gain on disposal of PPE		-	-	-	-
Adjustments/ Library stock written off			-		-
Adjustments:					
Loans and borrowing restated at amortised cost	29	(2,628,424)	36,583	(2,628,424)	36,583
		(1,388,386)	1,572,247	(1,557,547)	1,506,955
Changes in operating assets and liabilities:					
(Increase)/Decrease in inventories	19	(47,948)	(36,494)	(47,948)	(36,494)
(Increase)/Decrease in trade and other receivables	21	(105,476)	(625,611)	(44,899)	152,830
(Increase)/Decrease in Loan to Subsidiary	17	-	-	-	(45,339)
(Increase)/Decrease in prepayments	20	(207,233)	(916,938)	6,144	(274,978)
(Decrease)/increase in trade and other payables	30	742,675	1,543,767	718,515	1,494,078
(Decrease)/increase in deferred revenue	31	153,199	166,115	4,895	126,975
		535,217	130,839	636,708	1,417,072
Cash generated from operations		**(853,169)**	**1,703,086**	**(920,839)**	**2,924,027**
Taxation paid	8(b)	(186,174)	(181,838)	(186,174)	(181,838)
Net cash inflow provided by operating activities		**(1,039,343)**	**1,521,248**	**(1,107,013)**	**2,742,189**
Cash Flows from Investing Activities			-		
Acquisition of property, plant and equipment	12	(412,426)	(654,756)	(403,756)	(583,252)
Proceeds from disposal of property, plant and equipment		(26,743)	-	(26,743)	
Deposit for Shares	16			-	
Acquisition of intangible assets	13	25,538	-	25,538	(767,185)
Acquisition of Investment properties		-	-	-	-
Bond repayment fund	18	1,789,072	(399,068)	1,789,072	(399,068)
Non-Controlling Interests		-	-		
Loan granted					
Interest received	7	280,979	342,244	352,687	399,119
Net cash used in investing activities		**1,661,695**	**(711,580)**	**1,736,798**	**(1,350,386)**
Cash flows from financing activities					
Intercompany		-	-	(92,052)	(737,753)
Interest paid on Bond	7	(498,768)	(503,729)	(498,414)	(503,729)
Dividends paid		(324,844)	(295,312)	(324,844)	(295,312)
Net cash outflow from financing activities		**(823,612)**	**(799,041)**	**(915,310)**	**(2,040,523)**
Net increase in cash and cash equivalents		(201,260)	10,628	(285,525)	(144,991)
Cash at bank and in hand, beginning of year		2,186,023	2,654,648	2,037,847	2,629,407
Effect of exchange rate fluctuations on cash held		-	-	-	-
Cash at bank and in hand, end of Period		**1,984,763**	**2,665,276**	**1,752,322**	**2,484,416**
Cash and Cash Equivalents					
This comprises:					
Cash at bank and in hand		1,059,033	1,999,652	826,592	1,818,792
Fixed deposit		925,730	559,838	925,730	559,838
Treasury Bills		-	105,786	-	105,786
		1,984,763	**2,665,276**	**1,752,322**	**2,484,416**

Notes to the consolidated and separate financial statements
For the period ended 30- September, 2016

1. Reporting entity

Nigerian Aviation Handling Company PLC ("nahco aviance" or "the Company") is a company domiciled in Nigeria with its registered office at Murtala Muhammed International Airport, Ikeja, Lagos. The consolidated financial statements of the Company for the period ended 30 September 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The Group is primarily involved in provision of services including aircraft handling, cargo handling, passenger handling, passenger profiling, crew transportation, energy and power distribution and leasing of ground handling equipment.

2. Basis of preparation

(a) Statement of compliance

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

The financial statements were authorised for issue by the directors on 26th October 2016.

(b) Functional and presentation currency

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

(c) Basis of measurement

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

(d) Use of estimates and judgements

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

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

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

3. Significant accounting policies

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

(a) Basis of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Transactions eliminated on consolidation

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

(b) Foreign currency

Foreign currrency transactions

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

(c) Property, plant and equipment

Recognition and measurement

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

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

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

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

Subsequent costs

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

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

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

Depreciation

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

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

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

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

De-recognition

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

(d) Intangible assets

Intangible assets comprise softwares that are not integral part of the related hardware. The intangible assets have

finite useful lives and are measured at cost less accumulated amortisation and accumulated impairment losses.

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

Intangible assets acquired separately

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

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

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

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

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

(f) Financial Instruments
(i) Recognition
Non-derivative financial instruments- recognition and measurement
Non derivative financial instruments comprise trade receivables, other receivables, amounts due from related parties, cash and cash equivalents, loans and borrowings, amounts due to related parties, trade payables and other payables. Financial instruments are initially recognised at fair value, plus attributable transaction costs for instruments not at fair value through profit or loss. Subsequent to initial recognition, financial instruments are measured as described below.

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

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

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

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

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

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Where the Group enters into transactions under which it transfers assets recognised on its statement of financial position, but retains either all risks and rewards of the transferred assets or a portion of them, then the transferred assets are not derecognised from the statement of financial position if all or substantially all risks and rewards are retained. In transactions where the Group neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Group continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

(g) Share Capital

Ordinary Shares

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

Dividend on ordinary shares

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

(h) Taxation

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

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

(i) Impairment

Financial assets

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

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

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

Non-financial assets

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

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

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

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

Notes to the consolidated and separate financial statements
For the period ended 30- September, 2016

(j) Non-current assets held for sale

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

(k) Employee benefits

Defined contribution plans

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

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.
A liability is recognised for the amount expected to be paid under short-term cash bonus plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(l) Provisions

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

(m) Revenue recognition

Services

Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

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

Rental income

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

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

(n) Finance income and expense

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

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the profit and loss using the effective interest method.
Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position except for foreign currency translation differences recorded in other comprehensive income.

(o) Leased assets

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

(p) Lease Payments

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

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

Determining whether an arrangement contains a lease

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

At inception or upon reassessment of the arrangement, the Group separates payments and other considerations required by such an arrangement into those for other elements on the basis of their relative fair values, If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised on a straight line.

(q) Investment property

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

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

(r) Earnings per share

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

(s) New standards and interpretations not adopted

A number of new standards, amendments to standards, and interpretations are effective for annual period beginning after 31 December 2012, and have not been applied in preparing these consolidated financial statements. None of these is expected to have significant effect on the consolidated financial statements of the group except for IFRS 9 Financial Instruments, which becomes mandatory for the Group’s 2015 consolidated financial statements and could change the classification and measurement of financial assets. The Group does not plan to adopt this standard early and the extent of the impact has not been determined.

4. Determination of fair values

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

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

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

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

Trade and other receivables

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

date. For trade and other receivables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Other non-derivative financial liabilities

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

5. Revenue

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

	Group				Company			
	Q3 16	Q3 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Passenger/ Aircraft handling	1,121,931	928,711	2,798,795	2,670,801	1,121,931	928,711	2,798,795	2,670,801
Cargo handling	854,896	1,057,739	2,761,754	3,404,717	850,906	1,050,538	2,748,586	3,392,314
Equipment rental and maintenance	139,365	84,094	320,589	241,282	69,240	73,286	199,283	226,835
Total	2,116,192	2,070,544	5,881,138	6,316,800	2,042,077	2,052,535	5,746,664	6,289,950

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

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

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

Equipment rental and maintenance: In the past two years, the Group had invested heavily in procurements of GSE's (Ground Support Equipments). These are leased to airlines and other companies operating at the airport.

Leasing: A subsidiary, NFZ ltd is into the leasing of properties and heavy duty equipments

6 Other gains and losses

	Group				Company			
	Q3 16	Q3 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Rental income	58,268	54,324	178,604	157,106	58,268	54,324	178,604	157,106
Sundry Income	4,086	69,085	175,560	135,658	3,998	69,085	175,472	135,658
Learning and Development	450	2,347	2,353	4,185	450	2,347	2,353	4,185
	62,804	125,756	356,518	296,949	62,716	125,756	356,430	296,949

7 Finance income and expense

	Group				Company			
	Q3 16	Q3 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Finance income:								
Foreign exchange (loss)/ Gain on non-currei	9,304	42,241	27,912	28,936	9,304	40,021	27,912	26,716
Interest income on Bond reserve	72,408	82,580	190,197	182,188	72,408	82,580	190,197	182,188
Interest income on TB	822	7,942	3,398	41,394	822	7,942	3,398	41,393
Interest income on fixed & bank deposits	39,038	11,699	59,472	89,726	39,038	37,665	59,472	148,821
Interest income on Loan	-	-	-	-	23,903		71,708	
	121,572	144,462	280,979	342,244	145,475	168,208	352,687	399,118
Interest expense on financial liabilities measured at amortised cost	-	-	-	-	-	-	-	-
Bank charges	6,221	5,209	14,747	17,144	6,375	5,209	14,393	17,112
Interest on term loan	130,414	148,031	421,144	444,094	130,414	148,031	421,144	444,094
Other Bond charges	9,432	26,439	62,876	42,523	9,433	26,439	62,876	42,523
Finance expense	146,067	179,679	498,768	503,761	146,222	179,679	498,414	503,729
Net finance costs	(24,495)	(35,217)	(217,789)	(161,517)	(747)	(11,471)	(145,727)	(104,611)

The above finance income and expenses relate to transactions on financial assets and liabilities through Statement of Comprehensive Income.
Interest of 13% was charged on existing N2.15billion bond and additional 15.25% on the N2.05billion raised in December 2013.
Effective June 2016, Tranche 2 bond was restructured to enable half -yearly liquidation of principal. 25% of the principal was liquidated bringing the balance to N1.5375billion and renegotiated to 15.75% per annum. Tranche 1 was completely paid off effective September 29, 2016 having exhausted its useful life of 5 years.

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

8. Taxation

(a) The tax charge for the period comprises:

	Group				Company			
	Q3-16	Q3-15	Sep-16	Sep-15	Q3-16	Q3-15	Sep-16	Sep-15
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Company income tax	35,532	46,620	67,398	164,332	35,532	46,620	67,398	164,332
Education tax	2,539	3,332	4,817	11,744	2,539	3,332	4,817	11,744
(Over provision)/under provision in prior yea	-	-	-	-	-	-		-
Deferred tax	-	-	-	-	-	-		-
	38,072	49,952	72,215	176,076	38,072	49,952	72,215	176,076

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

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
		₦'000	₦'000	₦'000
Balance, beginning of year	365,053	387,407	365,053	387,407
Charge for the year (Note(a))	72,215	192,000	72,215	192,000
Payments made during the year	(186,174)	(185,586)	(186,174)	(185,586)
Back duty assesments paid	-	(28,768)	-	(28,768)
Balance, end of year	251,094	365,053	251,095	365,053

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

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Balance, beginning of year	895,615	828,615	895,615	828,615
Charge for the period/year	-	67,000	-	67,000
Balance, end of period	895,615	895,615	895,615	895,615

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

9. Profit from continuing operations

Profit for the year from continuing operations is attributable to:

	Group				Company			
	Q3- 16	Q3- 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Owners of the company	136,413	175,146	227,120	519,475	131,136	177,101	248,739	624,270
Non-controlling interests	(6,700)	5,466	3,670	16,888	-	-		-
	129,712	180,612	230,790	536,363	131,136	177,101	248,739	624,270

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

(a) Operational Costs;

	Group				Company			
	Q3- 16	Q3- 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Payroll/ Staff Costs	769,771	835,025	2,341,163	2,141,089	755,030	835,025	2,285,429	2,141,089
Training	42,287	16,030	59,558	64,118	4,787	16,030	22,058	64,118
Concession & Mgt. service Fee	191,748	184,728	526,169	536,247	191,748	184,728	526,169	536,247
Operational Travels	12,694	15,031	36,054	37,577	12,694	15,031	36,054	37,577
Depreciation	165,554	174,659	506,218	579,711	128,789	153,858	395,922	466,235
Diesel, Electricity, Spares & Rent	135,740	74,405	373,489	327,380	135,740	74,405	373,489	327,380
Equipment Lease Rental	**-**	**-**	-	-	97,776	89,720	293,628	296,159
Other Operating Expenses	156,871	127,102	428,523	462,064	177,189	122,635	436,171	432,126
	1,474,665	1,426,980	4,271,174	4,148,186	1,503,753	1,491,432	4,368,920	4,300,931

(b) Impairment losses on financial assets

	Group				Company			
	Q3- 16	Q3- 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Impairment loss recognised on	-	11,520		30,033		11,520		30,033

(c) **Depreciation**

	Q3- 16	Q3- 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
Depreciation of property, plant and equipment	220,371	215,650	694,454	649,773	181,416	177,825	575,735	536,392
Amortisation of intangible assets	9,067	8,226	26,645	24,679	9,067	8,226	26,645	24,679
Depreciation of investment property	797	2,229	2,465	4,144	797	2,229	2,465	4,144
	230,235	**226,105**	**723,564**	**678,596**	**191,280**	**188,280**	**604,845**	**565,215**

10. Basic earnings per share

The calculation of basic earnings per share at September 30 2016 was based on the earnings attributable to ordinary shareholders of N230.79 million (Sep 2015: N536.36 million) and on ordinary shares of 1,624,218,200 of N0.50 each being the weighted average number of ordinary shares in issue during the year.

	Group				Company			
	Q3- 16	Q3- 15	Sep-16	Sep-15	Q3 16	Q3 15	Sep-16	Sep-15
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
Profit attributable to ordinary shareholders	129,712	180,612	230,790	536,363	131,136	177,101	248,739	624,270
Weighted average number of ordinary shares	1,624,218	1,624,218	1,624,218	1,624,218	1,624,218	1,624,218	1,624,218	1,624,218
Basic EPS	**8**	**11**	**14**	**33**	**8**	**11**	**15**	**38**

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For the period ended 30- September, 2016

12. Property, plant and equipment

	Land	Building	Plant & Machinery	Motor Vehicles	Computer Equipment	Furniture& Equipment	Capital WIP	Total
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
COMPANY								
COST								
At 1 January 2016	50,219	2,859,503	5,124,106	565,018	1,002,018	378,381	47,686	10,026,930
Additions	-	166,802	57,184	11,603	147,041	21,126	-	403,756
Disposals	-		(171,412)	(128,101)		(4,495)	-	(304,008)
Adjustments	-						-	-
Reclassifications	-	-	-		-		-	-
Write-offs	-	-	-	-	-	-	-	-
At 30th September 2016	**50,219**	**3,026,305**	**5,009,877**	**448,519**	**1,149,059**	**395,012**	**47,686**	**10,126,678**
Depreciation								
At 1 January 2016	3,904	268,699	2,769,494	460,159	899,756	313,266	-	4,715,278
Charge for the year	750	58,609	323,134	43,274	114,906	35,061	-	575,735
Disposals			(164,734)	(161,744)		(4,274)	-	(330,751)
Adjustments	-	-	-	40,002	10,890			50,892
Write-offs	-	-	-	-	-	-	-	-
At 30th September 2016	**4,654**	**327,308**	**2,927,894**	**381,692**	**1,025,552**	**344,054**	**-**	**5,011,154**
NET BOOK VALUE								
At 30th September 2016	**45,565**	**2,698,997**	**2,081,983**	**66,827**	**123,507**	**50,958**	**47,686**	**5,115,524**
At 31st December 2015	**46,315**	**2,590,804**	**2,354,612**	**104,858**	**102,262**	**65,115**	**47,686**	**5,311,652**

	Land	Building	Machinery	Vehicles	Equipment	Equipment	Capital WIP	Total
	N'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
GROUP								
COST								
At 1 January 2016	50,218	2,947,618	6,678,644	574,006	1,007,649	420,073	47,686	11,725,894
Additions		166,802	58,787	11,603	149,950	25,284		412,426
Disposals	-		(171,412)	(128,101)		(4,495)		(304,008)
Adjustments	-		(1,603)					(1,603)
Reclassifications	-	-	-		-		-	-
Write-offs	-	-	-	-	-	-	-	-
At 30th September 2016	**50,218**	**3,114,420**	**6,564,416**	**457,508**	**1,157,599**	**440,862**	**47,686**	**11,832,708**
Depreciation								
At 1 January 2016	3,904	269,495	2,953,391	461,215	901,302	316,151	-	4,905,458
Charge for the year	750	59,007	433,430	44,959	118,541	37,766		694,454
Disposals			(164,734)	(161,744)		(4,274)		(330,751)
Adjustments				40,002	10,890			50,892
Write-offs	-	-	-	-	-	-	-	-
At 30th September 2016	**4,654**	**328,502**	**3,222,087**	**384,432**	**1,030,733**	**349,644**	**-**	**5,320,053**
NET BOOK VALUE								
At 30th September 2016	**45,564**	**2,785,918**	**3,342,329**	**73,075**	**126,866**	**91,218**	**47,686**	**6,512,656**
At 31 December 2015	**46,314**	**2,678,123**	**3,725,253**	**112,791**	**106,347**	**103,922**	**47,686**	**6,820,436**

Notes to the consolidated and separate financial statements
For the period ended 30- September, 2016

13. Intangible assets

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance at 1 January 2016	413,509	300,798	319,887	319,887
Adjustments	-	-	-	-
Additions	25,538	112,711	25,538	-
Closing Balance	439,047	413,509	345,425	319,887
Amortisation				
Balance at 1 January 2016	181,757	148,851	181,757	148,851
Adjustments	-	-	-	-
Amortisation for the year	26,646	32,906	26,646	32,906
Closing Balance	208,403	181,757	208,403	181,757
Carrying amounts				
Balance at the end of the period	230,644	231,752	137,023	138,130
Balance at 31 December 2015	231,752	185,144	138,130	171,036

14. Investment property

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Cost				
Balance at 1 January 2016	157,527	157,428	157,527	157,428
Adjustments	(184)	-	(184)	-
Reclassification		-		-
Additions	-	9,945	-	9,945
Disposals		(9,846)		(9,846)
Balance at the end of the period	157,343	157,527	157,343	157,527
Depreciation				
Balance at 1 January 2016	19,400	15,234	19,400	15,234
Adjustments	-	-	-	-
Charge for the year	1,815	5,119	1,815	5,119
Disposals		(953)		(953)
Closing Balance	21,215	19,400	21,215	19,400
Carrying amounts				
Balance at the end of the period	136,127	138,127	136,127	138,127
Balance at 31 December 2015	138,127	145,118	138,127	142,194

The fair value of the investment property as at 31st December 2015 was ₦1.686 Billion. Total revenue from the investment property as at September 30, 2016 is N178.6 million.

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For the period ended 30- September, 2016

15. Investment in subsidiaries

	Company	
	Sep-16	Dec-15
	₦'000	₦'000
Shares in subsidiaries:		
Nahco FTZ Limited	10,000	10,000
Nahco Energy and Power Limited	25,500	25,500
Mainland Cargo Options Ltd	4,000	4,000
Balance at the end of the period	39,500	39,500
Balance at 31 December 2015	39,500	39,500

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

(1) NFZ Limited

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

(2) NAHCO Energy and Power Limited

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

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

(3) Mainland Cargo Options

The Company holds 4 million ordinary shares in the subsidiary representing 40% of the issued share capital of N10 Million. The remaining shares are held by NAHCO Energy and Power Ltd. The Company is into cargo logistics and started operations in 2015.

16. Deposit For Shares

	Company	
	Sep-16	Dec-15
	N'000	₦'000
Balance at 1 January 2016	1,554,538	-
Additions	-	1,554,538
Balance at the end of the period	1,554,538	1,554,538

The balance represents deposit made by the holding company for the Shares in subsidiary, NFZ Limited

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17. Loan to Subsidiary

	Company	
	Sep-16	Dec-15
	N'000	₦'000
Loan Maturing after One year	561,838	373,820
Loan Maturing Less than One Year	-	188,018
Balance at the end of the period	561,838	561,838

This majorly represents the loan of $1.26 million (N211.05 million) and $760,000 (N127.3 million) granted by the company to its subsidiary, NAHCO FTZ Limited in February and June 2014 respectively. These facilities are payable in 60 equal instalments from 1st January, 2017 and 1st June, 2017 respectively. The facilities were granted at an interest rate of 17.75% (365 days a year).

18 Other non current assets

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Other non current assets:				
Balance at 1 January 2016	2,668,002	2,171,074	2,668,002	2,171,074
Additions during the year	1,316,009	1,089,054	1,316,009	1,089,054
	3,984,011	3,260,128	3,984,011	3,260,128
Interest distributions	(442,581)	(592,126)	(442,581)	(592,126)
Part liquidation on Principal	(2,662,500)	-	(2,662,500)	-
Carrying amounts	878,930	2,668,002	878,930	2,668,002
Balance at the end of the period				
Balance at 31 December 2015	2,668,002	1,060,963	2,668,002	1,060,963

The balance on this account represents the amount available in the Debt Service Reserve Account for the eventual repayment of the principal amount of the Bond. An amount is set aside every month toward settlement of bi- annual interests and eventual repayment of principal to bond holders. Tranche 1 bond series was completely paid and discharged in September 2016. The amount accrued as at 30th September, 2016 in respect of Tranche II bond series is held by the Trustees. (See note 29)

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

19. Inventories

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Spare parts	153,047	136,436	153,047	136,436
Stationery/ Medical	42,171	13,992	42,171	13,992
Diesel	12,007	8,848	12,007	8,848
	207,224	**159,276**	**207,224**	**159,276**

Spare parts consumed during the period N60.8 million (2015: N46 million) is recognised in Statement of Comprehensive Income.

20. Prepayments

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Prepayments comprise:				
Deposit for Fixed Asset	1,130,700	1,285,004	112,247	451,817
Prepaid insurance	9,575	21,599	4,588	21,599
Prepaid Rent	-	15,679	-	15,679
Prepaid Stock	191,930	-	191,930	-
Prepaid Housing	83,991	-	77,491	-
Others	177,316	63,997	148,480	51,785
	1,593,512	**1,386,279**	**534,736**	**540,880**

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

21. Trade and other receivables

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Trade and other receivables comprise:				
Trade receivables (Note 32)	839,916	762,097	792,415	754,190
With holding tax receivable	523,600	469,534	521,235	469,534
Interest Receivables	-	-	-	123,337
Other receivables	81,243	107,652	182,986	104,676
	1,444,759	**1,339,283**	**1,496,636**	**1,451,737**

Trade receivables are invoices on ground handling services issued to customers net of taxes and impairment on the debts. The company's credit policy allows a 30 day credit period for all its customers.
Amount recorded as deposit for assets are payments made for assets that are yet to be delivered as at the reporting dates.

22 Intercompany receivables

	Company	
	Sep-16	Dec-15
	₦'000	₦'000
NFZ	607,676	539,962
Power and energy	383,744	387,795
Mainland Cargo Options	**68,768**	40,379
	1,060,188	968,136

Intercompany receivables are payments made on behalf of the subsidiaries. The subsidiaries have been informed and the company expects to get value once the subsidiaries start generating income.
Intercompany receivables are eliminated in the consolidated accounts of the Group.

Notes to the consolidated and separate financial statements

For the period ended 30- September, 2016

23 Cash and cash equivalents

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Bank and cash balances	617,498	395,251	491,817	357,472
Domicilliary accounts	441,534	693,610	334,774	683,265
Treasury Bills	-	50,000	-	50,000
Fixed deposits	925,730	1,047,162	925,730	947,110
	1,984,763	**2,186,023**	**1,752,322**	**2,037,847**

Included in other deposits is the investment placed for Unclaimed dividend as at December 2015

24 Share Capital

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
(a) Authorised ordinary shares of 50 kobo each	3,000,000	3,000,000	3,000,000	3,000,000
(b) share capital: ordinary shares of 50 kobo each	812,109	812,109	812,109	812,109

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

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

25 Share premium

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	N'000	N'000	N'000	N'000
Balance at the end of the period	1,914,758	1,914,758	1,914,758	1,914,758

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

26 Dividend reserves

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	N'000	N'000	N'000	N'000
Balance, 1 January	324,844	295,312	324,844	295,312
Dividend proposed	-	324,844	-	324,844
Paid during the year	(324,844)	(295,312)	(324,844)	(295,312)
Balance at the end of the period	**-**	**324,844**	**-**	**324,844**

Notes to the consolidated and separate financial statements
For the period ended 30- September, 2016

27 Retained earnings

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	N'000	N'000	N'000	N'000
Balance, beginning of year	3,169,905	3,312,636	3,756,092	3,803,657
Issue of Bonus Shares	-	(73,828)	-	(73,828)
Dividend paid	-	(295,312)	-	(295,312)
Dividend Proposed		(324,844)	-	(324,844)
Balance at the end of the period	230,790	551,253	248,740	646,419
	3,400,695	**3,169,905**	**4,004,833**	**3,756,092**

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

28 Non controlling interests

	Group	
	Sep-16	Dec-15
	N'000	N'000
Balance at the beginning of the year	(125,157)	15,000
Share of current losses	5,256	(140,157)
Balance at the end of the period	(119,899)	(125,157)

This represents the portion of the minority shareholder in the called up share capital of the subsidiary, NAHCO

29 Loans and borrowings

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	N'000	N'000	N'000	N'000
Unsecured at amortised cost:				
Balance at the beginning	4,165,924	4,127,682	4,165,924	4,127,682
Addition	-	-	-	-
Part Liquidation	(2,662,500)		(2,662,500)	-
Fair value adjustments	34,076	38,242	34,076	38,242
Closing Balance	1,537,500	4,165,924	1,537,500	4,165,924

In September 2009, the Company obtained approval to raise N5 billion bond but decided to raise it in tranches.
Tranche 1 for N2.15 billion at 13 percent per annum was raised in October 2011 and has a 6-year tenor.
The proceed has since been used to finance the modernisation of the warehouse and acquisition of state-of-the-art Ground Handling Equipment (GSE).
Tranche 2 for N2.05 billion at 15.25 percent per annum was raised in December 2013 and has a 7-year tenor.
The proceed has been used to finance the acquisition of GSEs and the Company's inorganic expansion.
Interest is paid to investors biannually while the capitalised sum is expected to be paid at the end of the tenor of each tranch.
During the period under review, the company sought approval from bondholders to restructure the tranche 2 bond to enable principal liquidation on a semi annual basis. 25% of the bond was liquidated at June, 2016 and the balance was restructured for semi- annual liquidation over the remaining years of the bond. A premium of 0.5% was agreed as premium on the interest of tranche 2 to 15.75%.
Also, the tranche 1 bond was completely paid off and all liabilities discharged accordingly.
The Trustees, (First Trustees Limited), maintain an account into which monthly remittances by the Company are made towards offsetting the biannual interest payments as well as repayment of the capital sum. The Company's cashflow is therefore not expected to be affected on maturity as repayment would have been fully provided for.

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For the period ended 30- September, 2016

30 Trade and other payables

Trade and other payables comprise:

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Trade payables	1,711,884	395,504	1,711,884	395,504
Other payables	2,279,370	2,853,075	2,213,514	2,811,379
	3,991,254	**3,248,579**	**3,925,398**	**3,206,883**

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

30.1 Other payables

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Bond repayment	79,989	171,753	79,989	171,753
Management Support Agreement fee	81,457	105,934	81,457	105,934
Amount due to Government agencies	204,098	384,506	159,621	359,864
Concession fee; FAAN rental & service charge	732,342	774,626	732,342	774,626
Other Accruals	506,633	683,130	485,254	666,076
Directors Retirement	223,118	190,753	223,118	190,753
Industrial Training Fund	57,156	72,669	57,156	72,669
Staff Participatory Scheme	15,015	68,375	15,015	68,375
Performance Bonus	53,254	75,021	53,254	75,021
Unclaimed Dividend	326,308	326,308	326,308	326,308
	2,279,370	**2,853,075**	**2,213,514**	**2,811,379**

31 Deferred income/revenue

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Short term deferred income	310,747	157,548	133,279	128,384
	310,747	**157,548**	**133,279**	**128,384**
Long term deferred income	0	0	0	0
	310,747	**157,548**	**133,279**	**128,384**

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

32 *Impairment losses*

The aging of trade receivables at the reporting date was:

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Current (1- 30 days)	572,669	326,878	583,232	318,971
31-60 days	101,917	315,308	113,978	315,308
60-180 days	175,249	125,747	151,311	125,747
More than 180 days	841,021	872,840	822,570	872,840
	1,690,856	**1,640,773**	**1,671,091**	**1,632,866**
	-			
Impairment	(878,676)	(878,678)	(878,676)	(878,676)
	812,180	**762,095**	**792,415**	**754,190**

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

	Group		Company	
	Sep-16	Dec-15	Sep-16	Dec-15
	₦'000	₦'000	₦'000	₦'000
Balance at 1 January 2016	(878,676)	(830,837)	(878,676)	(830,837)
Impairment losses recognised	-	(47,839)	-	(47,839)
Balance at the end of the period	**(878,676)**	**(878,676)**	**(878,676)**	**(878,676)**

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

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Liquidity Risk

Exposure to liquidity risk

	Sep-16	Dec-15
	₦'000	₦'000
Cash and cash equivalents (Note 23)	1,984,763	2,186,023
Deposit in DSRA (note 18)	878,930	2,668,002
Trade and other receivables (Note 21)	1,444,759	1,339,283
Total financial assets	4,308,452	6,193,308
Trade & Other payables	3,991,254	3,284,579
Loans and borrowings (Note 29)	1,537,500	4,165,924
Total financial liabilities	5,528,754	7,450,503
Net exposure	(1,220,302)	(1,257,195)

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

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