Newrest ASL Nigeria Plc RC:304508

Unaudited Condensed Consolidated and Separate Financial Statements
For the first quarter ended 31 March 2017

Corporate Information

BOARD OF DIRECTORS

Chairman	Mr. Richard T. Akerele
Managing Director / Chief Executive Officer	Mr. Laurent Moussard (French)
Non Executive Directors	Mr. Jonathan Stent-Torriani (Swiss)
	Mr. Olivier Sadran (French)
	Mr. Matthieu Jeandel (French)
	Mr. Marc Starke (French)
Independent Director	Mr. Labi Ogunbiyi

PROFESSIONAL ADVISERS

Company Secretary & Legal Adviser	LPC Solicitors Stonehouse, 9, Oyo Close Off Niger Street Parkview Estate, Ikoyi Lagos
Registrar	Meristem Registrars Limited 213, Herbert Macaulay Way Adekunle-Yaba Lagos
Auditors	Akintola Williams Deloitte Chartered Accountants Civic Towers Plot GA 1, Ozumba Mbadiwe Way Victoria Island Lagos
Bankers	Access Bank Plc Access Bank UK Limited Ecobank Nigeria Plc Guaranty Trust Bank Plc Stanbic IBTC Bank Plc

REGISTERED OFFICE

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P.O. Box 4953, Murtala Muhammed International Airport
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WEBSITE

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Newrest ASL Nigeria Plc

RC.304508

Unaudited Condensed Consolidated and Separate Financial Statements
For the first quarter ended 31 March 2017

C O N T E N T S

Newrest ASL Nigeria Plc
RC:304508
GROUP FINANCIAL HIGHLIGHTS

STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHAREHOLDERS ON THE UNAUDITED THREE MONTHS IFRS RESULTS AS AT 31 MARCH 2017

The Board of Directors hereby announces the three month result of the group for the period ended 31 March 2017 with the comparative figures for the corresponding period of the previous year as follows.

	Three Months ended March 31 2017 N'000	Three Months ended March 31 2016 N'000	Absolute Changes %
Revenue	1,342,711	1,132,518	15.65
Other Income	46,818	196,058	(318.76)
Finance Income	16,017	3,307	79.35
Profit before Taxation	131,004	167,770	(28.06)
Profit after Taxation	131,004	167,770	(28.06)
Finance Cost	45,213	35,353	(27.89)
Reserves	2,643,018	1,575,184	40.40
Investment Revaluation Reserves	1,632	1,523	6.68
Foreign currency translation reserves	15,228	7,133	53.16
Share Capital	317,000	317,000	0.00
Share Premium	342,000	342,000	0.00
Non-controlling interest	59,807	11,939	80.04
Shareholders' Funds	3,378,685	2,254,779	33.26
Market Capitalisation as at March 31	2,257,040	1,318,720	41.57
Information per 50kobo ordinary share			
*** Earnings per share**	0.16	0.26	(64.70)
Stock Exchange Quotation (Naira as at 31 March)	3.56	2.08	41.57
Total Issued Shares	634,000	634,000	0.00

***Earnings= Profit after Tax**

Newrest ASL Nigeria Plc
RC:304508

Condensed Consolidated and Separate Statement of profit or loss and other comprehensive income
For the quarter ended 31 March 2017

		The Group			The Company		
		3 months ended	3 months ended	12 months audited	3 months ended	3 months ended	12 months audited
	Note	31-Mar-17 N'000	31-Mar-16 N'000	31-Dec-16 N'000	31-Mar-17 N'000	31-Mar-16 N'000	31-Dec-16 N'000
Revenue	5	**1,342,711**	**1,132,518**	**5,072,346**	**810,568**	**857,985**	**3,686,650**
Cost of sales		406,850	363,226	1,485,518	259,351	292,492	1,090,646
Gross profit		**935,862**	**769,292**	**3,586,828**	**551,217**	**565,493**	**2,596,004**
Administrative expenses	12	665,572	617,199	2,698,007	485,883	504,032	2,144,168
Selling and distribution expenses	13	156,907	148,335	604,127	126,596	112,118	540,360
Operating profit/(loss)		**113,383**	**3,757**	**284,694**	**(61,263)**	**(50,657)**	**(88,524)**
Investment income	7	16,017	3,307	31,059	15,815	3,307	31,059
Other income	8	50,964	89,134	221,391	47,439	88,629	281,439
Other gains and (losses)	8	(4,145)	106,925	800,235	8,629	138,852	919,820
Finance costs		(45,213)	(35,353)	(185,239)	-	(15,859)	(65,155)
Profit before tax	9	**131,004**	**167,770**	**1,152,140**	**10,621**	**164,271**	**1,078,639**
Tax		**-**	-	(1,604)	-	-	-
Profit for the period		**131,004**	**167,770**	**1,150,536**	**10,621**	**164,271**	**1,078,639**
Other comprehensive income (net of tax)							
Item that may be reclassified subsequently to profit or loss:							
Net gain on available for sale financial asset		**-**	22	131	-	22	131
Foreign currency translation		3947	6,030	13,646	-	-	-
		3,947	**6,052**	**13,777**	**-**	**22**	**131**
Total comprehensive income for the period		**134,951**	**173,822**	**1,164,313**	**10,621**	**164,293**	**1,078,770**
Profit for the period attributable to:							
Owners of the Company		100,601	165,686	1,134,456	10,621	164,271	1,078,639
Non-controlling interests		30,403	2,084	16,080	-	-	-
		131,004	**167,770**	**1,150,536**		**164,271**	**1,078,639**
Total comprehensive income for the year attributable to:							
Owners of the Company		103,364	169,928	1,144,139	10,621	164,293	1,078,770
Non-controlling interests		31,587	3,894	20,174	-	-	-
		134,951	**173,822**	**1,164,313**	**10,621**	**164,293**	**1,078,770**
Earnings per share							
Basic and diluted (kobo)	11	0.16	0.26	179	0.02	0.26	170

Newrest ASL Nigeria Plc

Condensed Consolidated and Separate Statement of Financial Position
As at 31 March 2017

	The Group		The Company	
	31-Mar-17	31-Dec-16	31-Mar-17	31-Dec-16
	N'000	N'000	N'000	N'000
Assets				
Non-current assets				
Property, plant and equipment	2,617,585	2,739,169	1,180,871	1,254,352
Intangible assets	6,574	5,653	6,574	5,653
Investment in subsidiary	-	-	86,450	86,450
Financial asset	3,049	3,049	3,049	3,049
Other assets	-	40,695	-	40,695
	2,627,208	2,788,566	1,276,944	1,390,199
Current assets				
Inventories	383,779	416,480	291,748	321,424
Trade and other receivables	1,097,467	1,078,973	1,432,678	1,486,745
Financial asset	16,853	16,656	16,853	16,656
Other assets	298,223	206,920	141,931	84,823
Cash and bank balance	2,037,194	1,980,309	2,010,770	1,951,509
	3,833,516	3,699,338	3,893,980	3,861,157
Total assets	6,460,724	6,487,904	5,170,924	5,251,356
Equity and liabilities				
Issued share capital and reserves				
Share capital	317,000	317,000	317,000	317,000
Share premium account	342,000	342,000	342,000	342,000
Revenue reserve	2,643,018	2,543,925	2,703,714	2,693,095
Investment revaluation reserve	1,632	1,632	1,632	1,632
Foreign currency translation reserve	15,228	12,465	-	-
Equity attributable to owners of the Company	3,318,878	3,217,022	3,364,346	3,353,727
Non-controlling interest	59,807	28,220	-	-
Total equity	3,378,685	3,245,242	3,364,346	3,353,727
Liabilities				
Non-current liabilties				
Borrowings	1,383,045	1,503,902	457,268	533,349
Deferred tax liabilities	177	177	-	-
Total Non-current liabilties	1,383,222	1,504,079	457,268	533,349
Current liabilities				
Trade and other payables	1,164,233	1,203,959	1,031,191	1,046,023
Liability for retirement benefit	15,974	16,014	13,348	13,486
Current tax liabilities	543	543	-	-
Borrowings	518,067	518,067	304,771	304,771
Total current liabilities	1,698,817	1,738,583	1,349,310	1,364,280
Total liabilities	3,082,039	3,242,662	1,806,578	1,897,629
Total equity and liabilities	6,460,724	6,487,904	5,170,924	5,251,356

The financial statements were approved by the board of directors and authorised for issue on 22 May 2017 and signed on its behalf by:

Laurent Moussard
Chief Executive Officer
FRC/2016/IODN/00000014143

Olapeju Shebioba
Chief Finance Officer
FRC/2013/ICAN/00000002043

Newrest ASL Nigeria Plc

Consolidated and Separate Statement Of Changes In Equity
For the quarter ended 31 March 2017

	Equity attributable to equity holders of the Group							
Period ended 31 March, 2017	**Share Capital N'000**	**Share Premium Account N'000**	**Revenue reserve N'000**	**AFS Financial asset reserve N'000**	**Foreign currency translation reserve**	**Attributable to owners of the parent**	**Non-controlling interest N'000**	**Total N'000**
Balance at 1 January 2017	**317,000**	**342,000**	**2,543,925**	**1,632**	**12,465**	**3,217,022**	**28,220**	**3,245,242**
Profit for the period			100,601			100,601	30,403	131,004
Other comprehensive income(net of tax)					2,763	2,763	1,184	3,947
Total comprehensive income for the period	**-**	**-**	**100,601**	**-**	**2,763**	**103,364**	**31,587**	**134,951**
Adjustment			(1,508)			**(1,508)**	**-**	**(1,508)**
Balance at 31 March 2017	**317,000**	**342,000**	**2,643,018**	**1,632**	**15,228**	**3,318,878**	**59,807**	**3,378,685**
Period ended 31 March, 2016								
Balance at 1 January 2016	**317,000**	**342,000**	**1,409,495**	**1,501**	**2,913**	**2,072,909**	**8,045**	**2,080,954**
Profit for the period			165,686			165,686	2,084	167,770
Other comprehensive income(net of tax)				22	4,220	4,242	1,810	6,052
Total comprehensive income for the period	**0**	**0**	**165,686**	**22**	**4,220**	**169,928**	**3,894**	**173,822**
Adjustment			3			3		3
Balance at 31 March 2016	**317,000**	**342,000**	**1,575,184**	**1,523**	**7,133**	**2,242,840**	**11,939**	**2,254,779**

	Equity attributable to equity holders of the Company							
Period ended 31 March, 2017	**Share Capital N'000**	**Share Premium Account N'000**	**Revenue reserve N'000**	**Investment revaluation reserve N'000**	**Foreign currency translation reserve**	**Attributable to owners of the parent**	**Non-controlling interest N'000**	**Total N'000**
Balance at 1 January 2017	**317,000**	**342,000**	**2,693,095**	**1,632**				**3,353,727**
Profit for the period			10,621					10,621
Other comprehensive income(net of tax)								-
Total comprehensive income for the period	**-**	**-**	**10,621**	**-**	**-**	**-**	**-**	**10,621**
Adjustment			**(2)**					
Balance at 31 March 2017	**317,000**	**342,000**	**2,703,714**	**1,632**	**-**	**-**	**-**	**3,364,346**
Period ended 31 March, 2016								
Balance at 1 January 2016	**317,000**	**342,000**	**1,614,456**	**1,501**				**2,274,957**
Profit for the period			164,271					164,271
Other comprehensive income(net of tax)				**22**				22
Total comprehensive income for the period	-	-	164,271	22	-	-	-	164,293
Balance at 31 March 2016	**317,000**	**342,000**	**1,778,727**	**1,523**	**-**	**-**	**-**	**2,439,250**

Newrest ASL Nigeria Plc

Condensed Consolidated and Separate Statement of Cash flows
For the quarter ended 31 March 2017

	Note	The Group		The Company	
		31-Mar-17 N'000	31-Mar-16 N'000	31-Mar-17 N'000	31-Mar-16 N'000
Cash flows from operating activities					
Cash receipts from customers		2,755,739	1,240,114	908,275	1,040,595
Cash payments to suppliers,employees and govt taxes		(2,539,885)	(915,386)	(787,535)	(732,828)
Net cash generated from operating activities	**16**	**215,853**	**324,727**	**120,740**	**307,766**
Cash flows investing activities					
Purchase of property, plant and equipment		(820)	(19,666)	-	(6,280)
Purchase of intangible assets		(1,213)	-	(1,213)	-
Proceeds from sale of property, plant and equipment		513	-	-	-
Interest received		16,017	3,307	15,815	3,307
Net cash generated from/(used in) investing activities		**14,497**	**(16,359)**	**14,602**	**(2,973)**
Cash flows from financing Activities					
Interest paid		(45,213)	(35,353)	-	(15,859)
Loans repaid		(128,252)	(87,511)	(76,081)	(87,511)
Net cash used by financing activities		**(173,465)**	**(122,864)**	**(76,081)**	**(103,370)**
Net increase/(decrease) in cash and cash equivalents		56,885	185,505	59,261	201,422
Cash and cash equivalents at the beginning of the year		1,980,309	738,204	1,951,509	660,185
Cash and cash equivalents at the end of the period		**2,037,194**	**923,709**	**2,010,770**	**861,607**

Newrest ASL Nigeria Plc

Notes to the Unaudited Condensed Consolidated and Separate Financial Statements
For the first quarter ended 31 March 2017

1 General information

The Company which was incorporated as a private limited liability company on December 6, 1996 changed its name to Newrest ASL Nigeria Plc in 2016. It became a public limited liability company on February 26, 2007 and its shares were listed on the floors of the Nigerian Stock Exchange on July 25, 2007. The address of the registered office is 1, Service Street, Murtala Muhammed International Airport, Ikeja, Lagos, Nigeria. The principal activities of the Company are the provision of catering and related services to international airlines within the Nigerian aviation industry. The company operates international standard in-flight catering facilities and VIP lounges at the Murtala Muhammed International Airport, Lagos (MMIA) and the Nnamdi Azikwe International Airport, Abuja. The Company (70% shareholding) in partnership with RwandaAir (30% shareholding) formed ASL Rwanda Limited EPZE and has obtained a licence to provide in-flight catering and ancillary services at the Kigali International Airport, Rwanda and commenced operations on August 1, 2014. The Company has two fully owned local subsidiaries; first is Reacon Duty Free Limited which operates duty free outlets at the MMIA. The second is Newrest ASL Oil & Gas Logistics Limited which provides catering services to certain airlines that operate local flights including flights to and fro oil and gas locations. The subsidiary is also prospecting for catering and logistics services to companies in the oil and gas of the economy.

The Company conducts its business in the Export Processing Zone and in line with Section 8 of the NEPZA ACT No 63 of 1992 as amended , the Company is exempt from all Federal, State and Local Government taxes, levies and rates. Similarly, Section 18(a) and (e) exempts the Company from taxes and allows the Company to sell up to 25 percent of its products in the local market and subject to the issuance of the relevant permit.

The Company would be liable to tax on income generated outside the zone if the scope of business is expanded outside the Export Processing Zone. The Company for now is not operating outside the Zone and therefore no income tax is applicable thereof.

In addition, ASL Rwanda Limited also operates in the Export Processing Zone in Rwanda and is exempt from all forms of taxes in accordance with the extant laws guiding export processing companies in the Rwanda's economy.

However, both Reacon Duty Free Limited and Newrest ASL Oil & Gas Logistics Limited, wholly owned subsidiaries, currently operate outside the Export Processing Zone and therefore are subject to income tax.

1.10 Change of Business Name

The Company at the last Annual General Meeting held on June 9, 2016 changed its name from Airline Services & Logistics Plc to Newrest ASL Nigeria Plc.

1.11 Composition of the financial statements

The Consolidated and Separate Financial statements are drawn up in Naira, the functional currency of Newrest ASL Nigeria Plc. In accordance with IFRS accounting presentation,the Consolidated and Separate Financial Statements comprise:

- Consolidated and Separate Statement of Profit or Loss and Other Comprehensive Income
- Consolidated and Separate Statement of Financial Position
- Consolidated and Separate Statement of Changes in Equity
- Consolidated and Separate Statement of Cashflows
- Notes to the Consolidated and Separate Financial Statements.

1.12 Financial period

These Consolidated and Separate Financial Statements cover the first quarter ended 31 March 2017 with comparative amounts for the quarter ended 31 March 2016 and where appropriate for the financial year ended 31 December 2016.

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

2.1 Amendments to IFRSs and the new interpretation that are mandatorily effective for the current year

In the current year, the Group has applied a number of amendments to IFRSs issued by the International Accounting Statndards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2016. The standards that may impact the Group and subsidiaries financial statements have been considered.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The Group has applied these amendments for the first time in the current year. The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with IFRS 10.

The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary providing services related to the former's investment activities applies only to subsidiaries that are not investment entities themselves.

The application of these amendments has had no impact on the Group's consolidated financial statements as the Group is not an investment entity and does not have any holding company, subsidiary, associate or joint venture that qualifies as an investment entity.

Amendments to IAS 1 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments clarify that an entity need not provide a specific disclosure required by an IFRS if the information resulting from that disclosure is not material, and give guidance on the basis of aggregating and disaggregating information for disclosure purposes. However, the amendment reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements of IFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other IFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

The application of these amendments has not resulted in any impact on the financial performance or financial position of the Group.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The Group has applied these amendments for the first time in the current year. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or
b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

As the Group already uses the straight-line method of depreciation and amortisation for its property, plant and equipment, and intangible assets respectively, the application of these amendments has had no impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2012-2014 Cycle

The Group has applied these amendments for the first time in the current year. The Annual Improvements to IFRSs 2012-2014 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa). The amendments clarify that such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in IFRS 5 regarding the change of sale plan do not apply. The amendments also clarifies the guidance for when held-for-distribution accounting is discontinued.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to IAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

The application of these amendments has had no impact on the Group's consolidated financial statements.

2.2 New and revised IFRSs in issue that but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted

Amendments to IAS 1	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers (and the related Clarifications)
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions

Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted

IFRS 16	Leases

Effective for annual periods beginning on or after a date to be determined

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

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirementsfor the classification and measurement of finacial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial laibilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interst on the principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment)that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2.2 New and revised IFRSs in issue that are not yet mandatorily effective (but allow early application)
For the year ended 31 December 2016 (Continued)

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial laibility that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the laibility's credit risk in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attribute to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial asstes, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model reqiures an entity to account for expected credit losses and changes in thse expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occured before credit losses are recognised.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure reqiurements abount an entity's risk management activities have also been introduced.

Based on an analysis of the Group's financial assets and financial liabilities as at 31 December 2016 on the basis of the facts and circumstances that exist at that date, the directors of the Company have performed a preliminary assessment of the impacts of IFRS 9 to the Group's consolidated financial statements as follows:

Classification and measurement

Loans carried at amortised cost as disclosed in note 30 are held with the intention to settle contractual cash flows obligations that are solely payments of principal and interest on the principal oustanding. Accordingly, these financial liabilities will continue to be subsequently measured at amortised cost upon the application of IFRS 9.

Unlisted shares classified as available-for-sale investments carried at fair value as disclosed in note 19: these shares qualify for designation as measured at FVTOCI under IFRS 9; however, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss under IFRS 9, which is different from the current treatment. This will affect the amounts recognised in the Group's profit or loss and other comprehensive income but will not affect total comprehensive income.

All other financial assets and financial liabilities will continue to be measured on the same basis as is currently adopted under IAS 39.

Impairment

The Group's financial assets will be subject to the impairment provisions of IFRS 9. The Group expects to apply the simplified approach to recognise lifetime expected credit losses for its trade and intercompany receivables.

In general, the directors anticipate that the application of the expected credit loss model of IFRS 9 will result in earlier recognition of credit losses for the respective items and are currently assessing the potential impact.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review. The directors do not intend to early adopt the standard and intend to use the full retrospective method upon adoption.

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessor and leasee. IFRS 16 will supercede the current lease guidance IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinction of operating leases (off balance sheet) and finance lease (on balance sheet) are removed for lessee accounting,and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

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The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modification, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

The new requirement to recognise a right-of-use asset, if it exists and a related lease liability is expected to have a significant impact on the amounts recognised in the Group's consolidated financial statements and the directors are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the directors complete the review.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.

2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature ', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

(i) the original liability is derecognised;

(ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and

(iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The amendments are effective for annual reporting periods beginning on or after 1 January 2018 with earlier application permitted. Specific transition provisions apply.The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Group's consolidated financial statements as the Group does not have any cash-settled share-based arrangements or any witholding tax arrangements with tax authorities in relation to share-based payments.

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

Amendments to IFRS 10 and IAS 28 deal with situations where there is a sales or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

Amendments to IAS 1 Disclosure Initiative

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify the following:

1. Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value which the tax base remains at cost give rise to a deductible temporary difference, irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, or whether it is probable that the issuer will pay all the contractual cash flow;
2. When an entity assesses whether taxable profits will be available against which it can utilise a deductible temporary difference, and the tax law restricts the utilisation of losses against income of a specific type (e.g. capital losses can only be set off against capital gains), an entity assesses a deductible temporary difference in combination with other deductible temporary differences of that type, but separately from other types of deductible temporary differences;
3. The estimate of probable future taxable profits may include the recovery of some of the entity's assets for more than their carrying amount if there is sufficient evidence that it is probable that the entity will achieve this;and
4. In evaluating whether sufficient future taxable profits are available, an entity should compare the deductible temporary differences with future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences.

The amendments apply retrospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

3 Summary of significant accounting policies

3.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards.

3.2 Basis of preparation

The consolidated and separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 the price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and /or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of IAS 17, and measurement 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.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
Level 3 inputs are unobservable inputs for the asset or liability.

3.3 Basis of Accounting

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), which comprise standards and interpretations issued by either the International Accounting Standards Board ("IASB") or the International Financial Reporting Interpretations Committee ("IFRIC"). The consolidated and separate financial statements have been prepared under the historical cost convention, except for the measurement at fair value of certain classes of assets. The consolidated and separate Financial Statements have been prepared on a going concern basis.

The principal accounting policies are set out below.

3 Summary of significant accounting policies (continued)

3.4 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved where the Company:

has power over the investee;

is exposed, or has rights, to variable returns from its involvement with the investee; and

has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders:

potential voting rights held by the Company, other vote holders or other parties:

rights arising from other contractual arrangements; and

any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3.5 Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

3.6 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair values, except that:

(i) deferred tax assets or liabilities; and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

(ii) liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and

(iii) assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3 Summary of significant accounting policies (continued)

Goodwill is measured as the excess of the sum of consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previuosly held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity'ss net assets in the event of liquidation may be measured either at fair value or at the non-controlling interests's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets and liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.
The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent considerarion is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured as subsequent reporting dates in accordance with *IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets* , as appropriate, with the corresponding gain or loss recognised in profit or loss.

Where a business combination is achieved in stages, the Group’s previously-held interests in the acquired entity are re-measured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.
The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

3 Summary of significant accounting policies (continued)

3.7 Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a complete sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with IAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method.

Non-current assets (and disposal groups) classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

3.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sales of goods and services

Revenue from sales of goods and services is recognised when the goods are delivered and or services rendered,and titles have passed, at which time all the following conditions are satisfied:

(i) the Group has transferred to the customer the significant risks and rewards of ownership of the goods and services

(ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold and the services rendered

(iii) the amount of revenue can be measured reliably

(iv) it is sufficiently probable that the economic benefits associated with the transaction will flow to the Group

(v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are stated net of discounts allowed and sales reductions at fair value. Sales deductions are estimated amounts for rebates, cash discounts and product returns. They are deducted at the time the sales are recognized, and appropriate provisions are recorded. Sales deductions are estimated primarily on the basis of historical experience, specific contractual terms and future expectations of sales development. It is unlikely that factors other than these could materially affect sales deductions in the Group.

Other operational revenues are recognised as other operating income.

3.9 Deferred income

Deferred income represents the part of the amount invoiced to customers that has not yet met the criteria for revenue recognition and thus still has to be earned as revenues by means of the delivery of goods and services in the future. Deferred income is recognized at its nominal value.

3 Summary of significant accounting policies (continued)

3.10 Inventories

In accordance with IAS 2 (Inventories), inventories encompass assets held for sale in the ordinary course of business (finished goods and goods purchased for resale), in the process of production for such sale (work in process) or in the form of materials or supplies to be consumed in the production process or in the rendering of services (raw materials and supplies). Inventories are stated at the lower of cost and net realizable value of first in first out (FIFO) basis after making specific allowance for obsolete and damaged stocks. The net realizable value is the achievable sale proceeds under normal business conditions less estimated cost to complete and selling expenses.

3.11 Provisions for pensions and other post-employment benefits

The company operates a defined contribution staff pension scheme for members of staff which is managed by Pension fund administrators. The scheme, which is funded by contributions from employees (8%) and the Group (10%) of basic salary, housing and transport allowances, is consistent with the provisions of the Pension Reform Act, 2014 with effect from July 1, 2014.

3.12 Taxation

The Company conducts its business in the Export processing zone and in line with section 8 of the NEPZA Act No 63 of 1992 as amended, the company is exempt from all Federal, State and Local Government taxes, levies and rates. Similarly section 18 (a) and (e) exempt the Company from taxes and allows the Company to sell up to 25 percent of its production in the local market and subject to the issuance of the relevant permit. The company would be liable to tax on income generated outside the zone if the scope of business outside the zone is expanded beyond the 25 percent of its production.

The company is currently not operating outside the Zone and therefore no income tax is applicable thereof.

In addition, ASL Rwanda Limited also operates in the Export Processing Zone in Rwanda and is exempt from all forms of taxes in accordance with the extant laws guiding export processing companies in the Rwanda's economy.

However, both Reacon Duty Free Limited and Newrest ASL Oil & Gas Logistics Limited, wholly owned subsidiaries, currently operate outside the Export Processing Zone and therefore are subject to income tax. See below for the accounting policy applied.

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

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. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group 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 the end of each reporting period 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 Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to itmes 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.

3.13 Property, Plant and Equipment

All property, plant and equipment is shown at cost, less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenditures are charged to the Income Statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to reduce the cost of each asset to its residual value over its useful life as follows:

	Range of Years
Freehold Buildings	20
Leasehold Buildings	Over the lease period
Furniture and Equipment	4 - 10 years
Motor Vehicles	2 - 5 years
Food Processing Equipment	3 - 7 years
MMIA Lounge & Cockpit Bar Improvement	5 years

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its recoverable amount.

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the Group statement of profit or loss and other comprehensive income.

3.14 Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization 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 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.

Amortisation is calculated using the straight-line method to reduce the cost of each intangible asset to its residual value over its estimated useful life as follows:

	Range of Years
Software Licences	3 years

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.

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3 Summary of significant accounting policies (continued)

3.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer (CEO).

3.16 Borrowing costs

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.

In addition, exchange differences arising from restatement of foreign denominated borrowings as a result of devaluation of Naira are also capitalised. The loans are specifically obtained to fund qualifying assets which interest costs are being capitalised.

Nevertheless, exchange differences relating to the principal are regarded as an adjustment to interest costs but only to the extent that the adjustment does not increase or decrease costs to an amount below or above a notional borrowing cost based on commercial interest rates prevailing in the functional currency at the date of the initial recognition of the borrowing.

In essence,the amount of borrowing costs that may be classified should lie between the following two amounts:
(1) actual interest cost denominated in the foreign currency translated at the actual exchange rate on the date on which the expense is incurred
(2) notional borrowing cost based on commercial interest rates prevailing in the functional currency at the date of the initial recognition of the borrowing (IAS 23: 6e).

3.17 Foreign currency transactions and translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in naira, which is the Group’s functional and presentation currency.

3 Summary of significant accounting policies (continued)

3.18 Foreign currency transactions and balances

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional 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 that are measured in terms of historical cost in a foreign currency are not retranslated.

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.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost oft those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks;

exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore not forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Currency Units using the exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate) .

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposal of associates or joint arrangement that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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 rsiks and uncertainties surronding 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 can be measured reliably.

3.20 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company, by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit and loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

3 Summary of significant accounting policies (continued)

3.21 Dividend distribution

Dividend distributions to the Company's shareholders are recognised in the Group's financial Statements in the period in which the dividend is declared and paid or approved by the Company's shareholders.

3.22 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance lease are initially recognised as assets of the Group at their fair value at the inception of the lease or , lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Operating lease payment are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contigent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3.23 Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The Group's financial instruments include:

Interest-bearing debt
Trade receivables
Trade payables
Cash and cash equivalents
Fixed deposits
Borrowings

3.24 Financial assets

Financial assets are classified into the following specified categories: financial assets ‘at fair value through profit or loss' (FVTPL), ‘held-to-maturity' investments, ‘available-for-sale' (AFS) financial assets and ‘loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

3.24.1 The effective interest rate 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. 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) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

3 Summary of significant accounting policies (continued)

3.24.2 Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurementrecognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in the notes to the accounts.

The Group's financial assets at FVTPL include funds invested in short term call deposits with less than 90 days maturity with a fund manager.

3.24.3 Available-for-sale financial assets (AFS Financial Assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Changes in the carrying amount of AFS monetary financial assets relating to changes in foreign currency rates, interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on AFS equity instruments are recognised in profit or loss when the entity's right to receive the dividends is established.

The Group's AFS financial assets are in the custody of a fund manager. It includes equity securities and bank deposits.

3.24.4 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3.24.5 Trade receivables

Trade receivables are carried at original invoice amount less any allowance for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When a trade receivable is determined to be uncollectible it is written off, firstly against any allowance available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income. Long-term receivables are discounted where the effect is material.

3.24.6 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, current balances with banks and similar institutions and highly liquid investments with maturities of three months or less when acquired. They are readily convertible into known amounts of cash and held at amortised cost.

3.24.7 Fixed deposits

Fixed deposits, comprising funds held with banks and other institutions are initially measured at fair value, plus direct transaction costs, and are subsequently re-measured to amortised cost using the effective interest rate method at each reporting date. Changes in carrying value are recognised in statement of profit or loss.

3 Summary of significant accounting policies (continued)

3.24.8 Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting year. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include breach of contract, such as a default or delinquency in interest or principal payments or it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset’s carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

3.24.9 Derecognition of financial assets

The entity 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 party. If the entity neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the entity recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the entity retains substantially all the risks and rewards of ownership of a transferred financial asset, the entity continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the entity retains an option to repurchase part of a transferred asset), the entity allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3 Summary of significant accounting policies (continued)
Financial liabilities and equity instruments

3.24.10 Classification as debt or equity
Debt and equity instruments issued by the entity 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.

Financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

3.24.11 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 entity 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. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3.24.12 Financial liabilities
Financial liabilities are classified either FVTPL or 'other financial liabiities' (which include loans from banks and related parties and trade and other payables). The Group does not have financial liabilities classified FVTPL. The Group subsequently measures financial liabilities at amortised cost using the effective interest method.

3.24.13 Borrowings
All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to profit or loss over the period of the relevant borrowing.

3.24.14 Interest-bearing debt
Financial liabilities, such as bond loans and other loans from credit institutions are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing debt is stated at amortized cost with any difference between cost and redemption value being recognized in the statement of profit or loss and other comprehensive income over the period of the borrowings on an effective interest basis.

4 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 estimate is 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.

4.1 Critical judgements in applying the Group's accounting policies and key sources of estimation and uncertainty

The key judgements have been disclosed in the relevant notes to the consolidated and separate financial statements. However, the following are the estimates that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Useful life of property, plant and equipment

The Group reviewed the estimated useful lifes of its property, plant and equipment on transition to IFRS on 1 January, 2011. The estimates were based on professional judgement expressed by the external valuers appointed to revalue certain assets. Some of the factors considered includes the current service potential of the assets, potential cost of repairs and maintenance and brand quality for over the years.

As at 31 December 2016, the Group reconsidered this and have noted no changes.

Impairment of trade receivables

The Group periodically 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 determing the allowances made for credit losses.

5 Revenue

The following is the analysis of the Group's revenue for the year from continuing operation (excluding investment income - see note 8).

	The Group	
	2017	**2016**
	N'000	**N'000**
Inflight catering and related service	1,146,284	989,553
Lounges	79,488	59,545
Duty Free Shop	33,832	7,196
Restaurant	34,100	32,876
Others	49,008	43,348
	1,342,711	**1,132,518**

6.0 Segment information

6.1 Products and services from which reportable segments derive their revenues

Information reported to the chief operating decision maker; the Chief Executive Officer (CEO) for the purposes of resource allocation and assessment of segment performance focuses on a number of factors including geographical location and types of goods or services delivered or provided. The Group's reportable segments under IFRS 8 are therefore as follows:

Lagos Inflight Catering - The segment operations include inflight catering, laundry and handling services.
Abuja Operations -The segment operations include inflight catering, lounges and restaurant services provided in the abuja office.
Airport Operations, Lagos - The segment provides restaurant , lounge, trolley service and duty free shop.
Kigali Inflight Catering - The segment operations include inflight catering, handling and related services.
Oil & Gas Catering - The segment operations include other catering and related services.

6.2 Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segment for the quarter ended 31 March 2017:

	Segment revenue	Cost of sales	Segment Profit
	N'000	N'000	N'000
Lagos Inflight Catering	534,363	(180,921)	353,443
Abuja Operations	146,813	(42,285)	104,529
Airport Operations Lagos	163,223	(48,748)	114,475
Kigali Inflight Catering	482,965	(130,640)	352,325
Oil & Gas Catering	15,347	(4,256)	11,090
	1,342,711	**(406,850)**	**935,862**
Administration expenses			(665,572)
Selling & Distribution expenses			(156,907)
Other Operating Income			50,964
Operating profit			**164,346**
Investment income			16,017
Other gains and losses			(4,145)
Finance costs			(45,213)
Profit before tax			**131,004**
Tax			-
Profit for the period			**131,004**

The following is an analysis of the Group's revenue and results by reportable segment for the quarter ended 31 March 2016:

	Segment revenue	Cost of sales	Segment Profit
	N'000	N'000	N'000
Lagos Inflight Catering	568,340	(194,642)	373,698
Abuja Operations	187,886	(68,648)	119,238
Airport Operations Lagos	108,955	(33,250)	75,705
Kigali Inflight Catering	260,553	(65,075)	195,478
Oil & Gas Catering	6,784	(1,611)	5,173
	1,132,518	**(363,226)**	**769,292**
Administration expenses			(617,199)
Selling & Distribution expenses			(148,335)
Other Operating Income			89,134
Operating profit			**92,891**
Investment income			3,307
Other gains and losses			106,925
Finance costs			(35,353)
Profit before tax			**167,770**
Tax			-
Profit for the period			**167,770**

Segment information (continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit earned by each segment without allocation of central administration costs, investment revenue, other gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

6.3 **Segment assets and liabilities**- The CEO does not make use of information on segment assets and segment liabilities for the purpose of resource allocation and assessment of segment performance

6.4 **Revenues from major products and services**

The Group's revenues from its major products and services were as follows:

	The Group		The Company	
Revenue from:	**31-Mar-17**	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
Lagos:	**N'000**	**N'000**	**N'000**	**N'000**
Inflight Catering	434,004	451,356	434,004	451,356
Lounges	79,488	59,545	79,488	59,545
Duty Free shop	33,832	7,196	-	-
Beverages	16,337	14,943	16,337	14,943
Handling	57,080	68,993	57,080	68,993
Laundry	23,327	30,268	23,327	30,268
Others	53,520	44,994	53,520	44,994
	697,586	**677,295**	**663,755**	**670,099**
Abuja:				
Inflight Catering	106,412	134,208	106,412	134,208
Beverages	606	1,033	606	1,033
Handling	26,974	37,262	26,974	37,262
Laundry	1,282	1,666	1,282	1,666
Others	11,539	13,717	11,539	13,717
	146,813	**187,886**	**146,813**	**187,886**
Oil & Gas and other Catering				
Oil & gas, local flights and other catering	15,347	**6,784**	-	**-**
	15,347	**6,784**	**-**	**-**
Kigali:				
Inflight Catering	361,362	202,025	-	**-**
Handling	116,608	46,706	-	**-**
Laundry	2,294	1,094	-	**-**
Others	2,702	10,729	-	**-**
	482,965	**260,553**	**-**	**-**
Total Revenue	**1,342,711**	**1,132,518**	**810,568**	**857,985**

6.5 **Geographical information**

Currently the Group's operations are domiciled in Nigeria and Kigali, Rwanda.

6.6 **Information about major customers**

Included in revenues arising from Lagos operations are revenues of approximately N158.5million (2016:N162.8million) which arose from sales to the Group's largest customer.

		The Group		The Company	
		31-Mar-17	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
7	**Investment income**	**N'000**	**N'000**	**N'000**	**N'000**
	Interest income on fixed deposit and commercial papers with banks	16,017	3,307	15,815	3,307

		The Group		The Company	
		31-Mar-17	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
8	**Other operating income**	**N'000**	**N'000**	**N'000**	**N'000**
	Sale of scraps	-	410	-	410
	Branding income	-	-	-	-
	Doubtful debt recovered	-	38,512	-	38,512
	Profit on disposal of property,plant and equipment	-	-	-	-
	Other loss or gains	(4,145)	106,925	8,629	138,852
	Levies	47,321	50,212	45,714	49,707
	Other income	3,643	-	1,725	-
	Total operating income	**46,818**	**196,058**	**56,068**	**227,481**

9 Profit for the year

Provide explanatory comments about the seasonality or cyclicality of the interim operations.

10 Taxation

The parent company is tax exempt while the subsidiary has used the minimum tax due to the unrelieved losses brought forward.

11 Earnings per share

Basic Earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows

	31-Mar-17 N'000 N'000	31-Mar-16 N'000 N'000	31-Mar-17 N'000 N'000	31-Mar-16 N'000 N'000
Earnings				
Profit attributable to owners of the company	100,601	165,686	10,621	164,271
Earnings used in the calculation of basic earnings per share	100,601	165,686	10,621	164,271
	Number	**Number**	**Number**	**Number**
Shares	634,000	634,000	634,000	634,000
Weighted average number of ordinary shares for the purposes of basic earnings per share				
Basic EPS	0.16	0.26	0.02	0.26

The earnings and weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows

Diluted Earnings per share	31-Mar-17 N'000	31-Mar-16 N'000	31-Mar-17 N'000	31-Mar-16 N'000
Earnings				
Profit attributable to owners of the company	100,601	165,686	10,621	164,271
Earnings used in the calculation of diluted earnings per share	100,601	165,686	10,621	164,271
				Number
Shares	634,000	634,000	634,000	634,000
Weighted average number of ordinary shares used in the calculation of diluted earnings per share				
Diluted EPS	0.16	0.26	0.02	0.26

There are no share options,potential rights issues, hence diluted earnings per share are the same as basic earnings per share.

Newrest ASL Nigeria Plc

Notes to the Unaudited Condensed Consolidated and Separate Financial Statements
For the first quarter ended 31 March 2017

	The Group		The Company	
	31-Mar-17	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
	N'000	**N'000**	**N'000**	**N'000**
12 Administrative expenses:				
Salaries & wages	236,113	210,897	167,184	161,410
Staff pension costs	8,181	9,741	8,017	9,569
Directors remuneration	19,512	13,842	18,512	12,842
Staff training	10,221	1,654	9,998	1,600
Staff uniform	3,579	1,973	3,252	801
Transport & travelling	21,580	16,377	9,963	13,641
Printing, stationery & computer	2,954	434	2,024	62
Rent & rates	56,680	75,115	49,169	59,832
Insurance	14,488	13,423	9,571	9,606
Professional & consultancy fees	28,697	21,138	22,103	14,746
Listing & registration fees	263	228	238	228
Licences fees & permits	13,371	8,833	12,796	8,670
Electricity	31,703	21,590	24,020	17,901
AGM expenses	2,400	-	2,400	-
Charitable donations & contributions	100	-	100	-
Office & administrative expenses	20,342	25,742	17,253	22,745
Repairs & maintenance	40,616	47,424	26,534	41,567
Audit fees	4,364	3,163	3,000	2,125
Security coverage	15,578	20,427	15,578	19,977
Bank charges	6,636	12,469	5,243	-
Allowance for bad debts	3,260	29,433	2,608	29,433
Medical expenses	11,627	8,420	8,510	6,811
Depreciation & amortisation charge	88,873	74,805	46,238	70,464
Loss on disposal of property, plant & equipment	22,099	-	19,237	-
Fine & penalty	2,335	70	2,335	-
	665,572	**617,199**	**485,883**	**504,032**
13 Selling and distribution expenses:				
Marketing expenses:				
Salaries & wages	7,453	6,491	6,723	6,491
Advert, promotion & public relations	7,969	9,977	7,658	8,865
Management, technical & concession fees	90,076	76,519	75,873	69,862
	105,497	**92,987**	**90,254**	**85,218**
Distribution expenses:				
Salaries & wages	40,832	27,290	26,342	25,432
Depreciation & amortisation charge	10,053	26,590	9,475	-
Carriage outwards	525	1,468	525	1,468
	51,410	**55,348**	**36,342**	**26,900**
Total selling and distribution expenses:	**156,907**	**148,335**	**126,596**	**112,118**

Newrest ASL Nigeria Plc

Notes to the Unaudited Condensed Consolidated and Separate Financial Statements
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14 Borrowings

During the period, the Group did not obtained any long or short-term bank loan or overdraft. However, repayments of bank loans amounting to N128.3m (2016: N87.5m) were made in line with previously disclosed repayment terms.

15 Issued Capital

Issued capital as at 31 March 2017 amounted to N317,000,000 (2016:N317,000,000)

16 RECONCILIATION OF PROFIT AFTER TAX TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	The Group		The Company	
	31-Mar-17	**31-Mar-16**	**31-Mar-17**	**31-Mar-16**
	N'000	**N'000**	**N'000**	**N'000**
Profit after tax	**131,004**	**167,770**	**10,621**	**164,271**
Adjustments to reconcile net income to net cash provided				
Effects of exchange rate changes	11,439	4,420	-	-
Depreciation & amortisation of non current assets	98,479	101,395	55,266	70,464
Loss/(profit) on disposal of property ,plant and equipment	22,099	-	19,237	-
Adjustment of fixed assets	-	-	(732)	-
Interest received	(16,017)	(3,307)	(15,815)	(3,307)
Interest paid	45,213	35,353	-	15,859
Accrued interest	-	-	-	-
Changes in assets and liabilities:	-	-	-	-
(Increase)/Decrease in inventories	32,701	45,284	29,676	48,005
Decrease/(Increase) in trade and other receivables	(18,494)	(219,880)	54,067	(109,034)
(Increase)/Decrease in intangibles	(50,608)	-	(16,413)	-
Increase/(Decrease) in financial assets	(197)	213	(197)	213
Increase/(Decrease) in trade & other payables	(39,726)	192,889	(14,832)	120,791
(Decrease)/Increase in gratuity provision/liability for retirement benefits	(40)	591	(138)	504
Increase/(Decrease) in tax payable	-	-	-	-
Total adjustments	**84,849**	**156,958**	**110,119**	**143,495**
Net cash provided by operating activities	**215,852**	**324,727**	**120,740**	**307,766**

17 Reconciliation of Cash & Cash Equivalents

Bank balances and cash	2,037,194	923,709	2,010,770	861,607
	2,037,194	**923,709**	**2,010,770**	**861,607**

	31-Mar-17 N'000	31-Mar-16 N'000

18 Related party disclosures

Balances and transactions between the company and its subsidiaries have been eliminated on consolidation. Transactions between the group and its other related parties are disclosed below.

Services rendered/trading transactions

The company carried out transactions with the below named companies that fall within the definition of related party. The company's management considers such transactions to be in the normal course of business and at terms which correspond to those conducted at an arm's length with third parties.

Catering Security

Checkport Security Nigeria Limited is an aviation security service company which provides Newrest ASL Nigeria Plc with catering security personnel. Richard Akerele is one of the directors of Checkport Security Nigeria Limited as well as director of Newrest ASL Nigeria Plc.

Consultancy Services

The company has a consultancy agreement with Newrest Group International for the provision of technical and commercial know-how. The terms of the agreement specify a payment to the Consultant of a monthly Fee based on time-costs of actual man-hours spent by the Consultant's personnel (net of VAT, taxes and any other taxes). The Fees include the costs and expenses incurred by the Consultant in connection with the provision of the Services and a profit mark-up equal to five percent 5% of the previous amount. The Fees are subject to Personal Income Tax. The Co-Chief Executive Officers of Newrest Group; Olivier Sadran and Jonathan Stent-Torriani are on the Company's board of directors. The balance on the account represents total indebtedness to Newrest, payable in Euro using CBN rate ruling as at 31 March 2017.

In addition, the company has trademark and management services with the Newrest Group International for the use of Newrest trademark and provision of management know-how and expertise. The terms of the agreement specify a fee of 2% and 1.9% of the Company monthly turnover for the trademark and management services respectively.

The Co-Chief Executive Officers of Newrest Group; Olivier Sadran and Jonathan Stent-Torriani are on the company's board of directors. The balance on the account represents total indebtedness to Newrest, payable in Euro using interbank rate.

First Street Limited

The Group through one of its subsidiaries; Newrest ASL Oil & Gas Logistics Limited provides meals to the company which operates a lounge service at Murtala Muhammed International Airport, Lagos. Richard Akerele is a director of the company as well as a director of Newrest ASL Nigeria Plc.

	31-Mar-17 N'000	31-Mar-16 N'000
Services rendered/trading transactions		
Checkport Security Nigeria Limited	5,670	8,663
Newrest Group International S.A.S	60,860	20,697
First Street Limited	342	-
Balance due to related parties		
Checkport Security Nigeria Limited	-	5,775
Newrest Group International S.A.S	23,140	6,879
Balance due from related parties		
First Street Limited	125	-

Remuneration of key management personnel

Key management personnel are considered to be the directors of the company

	31-Mar-17 N'000	31-Mar-16 N'000
Directors' emoluments - Short term benefits		
Chairman's Fee	16,013	10,343
Non Executive Directors	3,000	2,500
Executive Director		

However, the emolument of the Chief Executive Director is included in the consultancy fees payable or paid to Newrest Group as stated above.