

SUMMARY OF AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2016.

The Directors present the summary Financial Statements of Nigerian Aviation Handling Company Plc as at 31 December 2016. These summary Financial Statements are derived from the full Financial Statements for the year ended 31 December, 2016 and are not the full Financial Statements of the Company. The full Financial Statements from which these summary Financial Statements were derived will be delivered to the Corporate Affairs Commission within the required deadline. The Company's Independent Auditors issued an unqualified audit opinion on the full Financial Statements for the year ended 31 December, 2016 from which these summary Financial Statements were derived.

Consolidated and Separate Statements of Profit or Loss and Other Comprehensive Income

	Group December 2016 N '000	Group December 2015 N '000	Company December 2016 N '000	Company December 2015 N '000
Revenue	7,956,977	8,498,626	7,797,899	8,458,700
Operating costs	(5,646,369)	(5,270,687)	(5,683,208)	(5,441,460)
Gross profit	2,310,608	3,227,939	2,114,691	3,017,240
Other income	875,285	297,610	833,846	286,878
Other operating expenses	-	(93,881)	-	(96,149)
Administrative expenses	(1,996,314)	(2,420,516)	(1,852,619)	(2,170,316)
Profit from operations	1,189,579	1,011,152	1,095,918	1,037,653
Finance costs	(545,299)	(636,419)	(545,299)	(636,419)
Finance income	265,345	422,063	360,956	504,185
Profit before tax	909,625	796,796	911,575	905,419
Income tax expense	(328,906)	(259,000)	-	(259,000)
Profit for the year	580,719	537,796	582,669	646,419
Other comprehensive income	-	-	-	-
Total comprehensive income net of tax	580,719	537,796	582,669	646,419
Attributable to:				
Profit attributable to equity holders of the parent:	578,912	551,253	582,669	646,419
Non-controlling interest:	1,807	(13,457)	-	-
Earnings per share				
Basic/diluted earnings per share (kobo)	36	34	36	40

Consolidated and Separate Statements of Financial Position as at 31st December, 2016

	Group December 2016 N '000	Group December 2015 N '000	Company December 2016 N '000	Company December 2015 N '000
Assets				
Non-current assets				
Property, plant and equipment	6,248,741	6,820,436	4,991,025	5,311,651
Intangible assets	222,597	231,752	128,975	138,130
Investment property	135,329	381,227	135,329	138,127
Investment in subsidiaries	-	-	39,500	39,500
Deposit for shares	-	-	1,554,538	1,554,538
Loan to subsidiary	-	-	330,177	373,820
Other non-current assets	89,990	2,668,002	89,990	2,668,002
Total non-current assets	6,796,657	9,858,317	7,269,534	10,223,768
Current assets				
Inventories	197,538	159,276	197,538	159,276
Trade and other receivables	1,286,212	1,339,283	1,264,843	1,328,400
Intercompany receivables	-	-	861,084	966,136
Loan to subsidiary	-	-	439,069	311,355
Prepayments	1,423,431	1,386,279	378,117	540,880
Cash and cash equivalents	2,930,747	2,186,023	2,663,797	2,037,847
Total current assets	5,837,928	5,070,861	5,805,248	5,345,894
Total assets	12,634,585	14,929,178	13,074,782	15,569,662
Equity and liabilities				
Equity				
Share capital	812,109	812,109	812,109	812,109
Share premium	1,914,758	1,914,758	1,914,758	1,914,758
Retained earnings	3,748,817	3,494,749	4,338,761	4,080,936
Total equity attributable to equity holders of the Company	6,475,684	6,221,616	7,065,628	6,807,803
Non-controlling interests	(123,350)	(125,157)	-	-
Total equity	6,352,334	6,096,459	7,065,628	6,807,803
Non-current liabilities				
Loans and borrowings	1,130,073	4,165,924	1,130,073	4,165,924
Deferred tax liabilities	1,062,474	895,615	1,062,474	895,615
Total non-current liabilities	2,192,547	5,061,539	2,192,547	5,061,539
Current liabilities				
Current tax liabilities	325,608	365,053	325,608	365,053
Trade and other payables	3,239,288	3,248,579	3,142,161	3,206,883
Deferred income	247,268	157,548	71,298	128,384
Loans and borrowings	277,540	-	277,540	-
Total current liabilities	4,089,704	3,771,180	3,816,607	3,700,320
Total liabilities	6,282,251	8,832,719	6,009,154	8,761,859
Total equity and liabilities	12,634,585	14,929,178	13,074,782	15,569,662

ARC Usman Bello
Chairman
FRC/SEI/NTA/0000092446

Mr. Herbert Bielderman
Managing Director
FRC/SEI/NTA/00000011580

Mr. Bamidele Adelaja
Chief Finance Officer
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Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the accompanying consolidated and separate financial statements of Nigerian Aviation Handling Company Plc ("the Company") and its subsidiaries (together referred to as "the Group") which comprise the consolidated and separate statements of financial position as at 31 December 2016, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity, and consolidated and separate statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of Nigerian Aviation Handling Company Plc and its subsidiaries as at 31 December 2016 and of their financial performance and their cash flows for the year then ended in accordance with the International Financial Reporting Standards, and the relevant provisions of the Companies and Allied Matters Act, CAP C20, Laws of the Federation of Nigeria 2004 and the Financial Reporting Council of Nigeria Act No. 6, 2011.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA) and other independence requirements applicable to performing audits of Nigerian Aviation Handling Company Plc and its subsidiaries. We have fulfilled all other ethical requirements in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audits of Nigerian Aviation Handling Company Plc and its subsidiaries. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion

thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, the Report of the Audit Committee, the Statement of Value Added and Five-Year Financial Summary as required by the Companies and Allied Matters Act (CAMA), and the Corporate Governance Report as required by the Securities and Exchange Commission, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our Auditors' report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with the International Financial Reporting Standards, relevant provisions of the Companies and Allied Matters Act CAP C20 Laws of the Federation of Nigeria 2004 and in compliance with the Financial Reporting Council of Nigeria Act, No. 6, 2011, and for such internal control as the Directors determines necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatements, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirement of Schedule 6 of the Companies and Allied Matters Act, CAP C20 Laws of the Federation of Nigeria 2004, we confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Group and the Company, in so far as it appears from our examination of those books; and
- iii) the Group's and the Company's consolidated and separate statements of financial position and consolidated and separate statements of profit or loss and other comprehensive income are in agreement with the books of account.



Funmi Ogunlowo
FRC/2013/ICAN/0000000681
For: Ernst & Young
Lagos, Nigeria
31 March 2017

